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1 UNITED STATES DISTRICT COURT
2 SOUTHERN DISTRICT OF NEW YORK

3 UNITED STATES OF AMERICA,

4 v.

17 Cr. 00243 (SHS)

5 ANDREW OWIMRIN, a/k/a "Andrew Owens,"
6 a/k/a "Jonathan Stewart," and
7 SHAHRAM KETABCHI, a/k/a "Steve Ketabchi,"

8 Defendants.

9 October 29, 2018
10 9:20 a.m.

11 Before:

12 HON. SIDNEY H. STEIN,

13 District Judge
14 and a jury

15 APPEARANCES

16 GEOFFREY S. BERMAN

17 United States Attorney for the
18 Southern District of New York

19 KIERSTEN A. FLETCHER

20 ROBERT B. SOBELMAN

21 BENET J. KEARNEY

22 Assistant United States Attorneys

23 SAM A. SCHMIDT

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25 Attorneys for Defendant Owimrin

KENNETH A. PAUL

JACOB MITCHELL

Attorneys for Defendant Ketabchi

Also Present:

CHRISTOPHER BASTOS, Detective NYPD and HSI

CHRISTINE LEE, Paralegal Specialist USAO

SAMUEL TUREFF, Paralegal

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(Trial resumed; jury not present)

THE COURT: Good morning.

The jury were all here in a timely fashion.

MR. SCHMIDT: Your Honor, if I may, I have been in contact with my client, Mr. Owimrin. He travels by bus. He leaves very early. The Lincoln Tunnel apparently was a mess.

THE COURT: And where is he?

MR. SCHMIDT: About ten minutes ago I had an e-mail from him; he was on the A train. So I assume he is going to be here within ten minutes. But in the meantime --

THE COURT: Where does he come in, Port Authority?

MR. SCHMIDT: Port Authority.

THE COURT: So he is on the A train. It could still be 20 minutes, half an hour. There is nothing we could do.

MR. SOBELMAN: A couple of minutes ago Mr. Schmidt said his client has objections to about 30 of the documents that we expect to offer during Special Agent Giattino's testimony. If the Court would like to entertain them, I would ask that Special Agent Giattino be excused from the courtroom.

THE COURT: Thank you.

I hate to keep the jury waiting. What can I do for you, Mr. Schmidt?

MR. SCHMIDT: Mr. Hassen is going to discuss this.

THE COURT: It's Mr. Hassen.

MR. HASSEN: We have communicated to the government

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1 several objections to exhibits that they intend to offer
2 through Agent Giattino, and rather than go through them chunk
3 by chunk, as we did last week, we suggested that we go through
4 them here with your Honor.

5 THE COURT: One by one for 30 documents, is that what
6 you want?

7 MR. HASSEN: A large number of them the objection is
8 the same, of a broad categorical type.

9 THE COURT: So we can do it group by group.

10 Go ahead.

11 MR. HASSEN: If we can bring up 206A.

12 So this is a document relating to Joe Freeland. The
13 issue is basically the terminology in the chargeback. We don't
14 have an objection to the existence of the chargeback, but we
15 have an objection to any facts being communicated through the
16 statement.

17 THE COURT: Who is Joe Freeland and what is this?

18 MR. HASSEN: This is a chargeback rebuttal form that
19 is between the credit card company and Arash Ketabchi.

20 THE COURT: Who is Joe Freeland?

21 MR. HASSEN: Joe Freeland is potentially a government
22 witness.

23 THE COURT: All right.

24 MR. HASSEN: So this document is being offered to show
25 the state of mind --

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1 THE COURT: Wait. Let me see what it is.

2 So this is a letter from, I can't see, it says
3 "sincerely." Who is it from?

4 MR. HASSEN: I believe it's from the processer.

5 THE COURT: Who? Is it from a bank?

6 MR. HASSEN: Yeah.

7 THE COURT: It's from the bank to A1 Business
8 Consultants, which is Arash, and it's trying to get information
9 to figure out whether services have actually been rendered to
10 A1, or whether it should, in effect, reverse the credit card
11 charge of somebody. Is that what it is?

12 MR. HASSEN: I think that's right. And again, our
13 issue is not whether -- it's being offered to show the state of
14 mind of Mr. Steve Ketabchi, and we don't have a problem with
15 the document coming in -- assuming Mr. Freeland testifies, we
16 don't have a problem with the document coming in with an
17 instruction that it's only for his state of mind. Our only
18 issue, for this type of document, is it doesn't come in without
19 the testimony and that the underlying facts that are
20 communicated are limited.

21 THE COURT: I am not sure I understand.

22 MR. SOBELMAN: I might be able to provide some
23 clarity. The entire 200 series of documents are copies of
24 hard-copy documents that were seized during the search of
25 Shahram Ketabchi's apartment. The government does not propose

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1 that any of those documents come in for their truth. Your
2 Honor addressed this in the in limine setting and already ruled
3 that the government can put in some amount of
4 chargeback-related documents from Mr. Ketabchi's apartment,
5 that there would be a limiting instruction if the defense
6 requested one, which it sounds like they are, and we consent to
7 that limiting instruction that the documents are not offered
8 for their truth; they are offered for the fact that they were
9 in Shahram's Ketabchi apartment, and that he might have looked
10 at them.

11 These documents that defense just pointed to --

12 THE COURT: Just one moment.

13 MR. HASSEN: I would object to the last part of that
14 limiting instruction.

15 THE COURT: No. The instruction is only going to be
16 for his state of mind. They were found in his apartment. It's
17 for his state of mind.

18 Go ahead, sir.

19 So far there is no issue. What is the issue?

20 MR. SOBELMAN: Yes, your Honor.

21 That's the government's view. These are admissible
22 for Shahram Ketabchi's state of mind and that the objection
23 doesn't have a basis.

24 THE COURT: I am not sure what the objection is. It
25 sounds like everyone is agreed, or at least consistent with my

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1 in limine ruling, the 200 series can come in with the
2 instruction to the jury by me that they are not for the truth
3 of what is set forth there, but simply for the state of mind of
4 Mr. Ketabchi.

5 Go ahead.

6 MR. HASSEN: Our point is that it's prejudicial to our
7 client.

8 THE COURT: For what, to have that limiting
9 instruction?

10 MR. HASSEN: If it comes in without testimony from the
11 government witness to establish that underlying fact, that it's
12 more prejudicial to our client because his state of mind is not
13 at issue there and the jury could make the inference about the
14 actual facts.

15 THE COURT: Well, the instruction, again -- I guess
16 you should do it again. The instruction will be, it is only
17 for Shahram Ketabchi's state of mind. That's what the
18 instruction will be, not your client's state of mind.

19 MR. SCHMIDT: I would add there is no evidence that
20 Mr. Owimrin has ever seen that document.

21 THE COURT: So that's why it's coming in solely for
22 Shahram Ketabchi's state of mind.

23 MR. SCHMIDT: For the jury to fully understand that, I
24 think we need to include, and that there is no evidence that
25 Andrew Owimrin has ever seen that document.

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1 THE COURT: Government.

2 MR. SOBELMAN: We disagree. This is not no evidence
3 that Andrew Owimrin would not be aware of complaints by
4 salespeople. To the contrary Mr. Sinclair testified that he
5 would have been aware by these types of complaints.

6 MR. SCHMIDT: There is no evidence that he has seen
7 any of these documents, that he is aware of complaints maybe,
8 but not that he has seen any of these documents.

9 THE COURT: I understand your point. My instruction
10 covers that. It's only for Shahram Ketabchi's state of mind,
11 and nothing else.

12 What is the next group?

13 That's all the 200 series, sir?

14 MR. SOBELMAN: Yes. They identified eight documents
15 in the 200 series, and the government's view is that the
16 argument we just had covers all eight of those documents.

17 MR. SCHMIDT: They don't cover, I don't believe, all
18 eight of the documents.

19 THE COURT: What is your next group?

20 Again, the parties have to get control of the paper
21 here. You have had the whole weekend.

22 MR. SCHMIDT: The only other one would be 208 of that
23 group, where it is indeed an e-mail that Steve Ketabchi is --

24 THE COURT: That's what I said. I know how to
25 pronounce Ketabchi. Go ahead.

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1 MR. SCHMIDT: In the reason code it states "fraud,
2 card absent environment."

3 We do not know who this is about. The prejudice,
4 therefore, is greater than, when you have a live witness who is
5 actually going to testify on the stand about what happened,
6 that takes away some of the prejudice. The terms here, indeed,
7 again, the chargeback, whether there is a chargeback we do not
8 object, but we do object to the term "fraud."

9 MR. SOBELMAN: Your Honor --

10 THE COURT: Let me read it.

11 Yes, government.

12 MR. SOBELMAN: This is another hard-copy document that
13 was seized from Shahram Ketabchi's apartment, the same limiting
14 instruction will apply. The jury will follow that instruction.

15 THE COURT: Mr. Schmidt, how is this document
16 different from all other documents, as it were?

17 MR. SCHMIDT: There are a number of documents related
18 to witnesses who have testified or will testify. So when a
19 witness testifies to the conduct, the fact that there is a
20 document that also reflects that conduct, the prejudice is
21 much, much less, and I think can be solved by a proper
22 instruction.

23 When the person who is making the hearsay statement is
24 not a witness to be called, therefore is an additional person
25 who is making a complaint of fraud, then the prejudice is

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1 greater.

2 THE COURT: But isn't that true of all of the 200
3 series?

4 MR. SCHMIDT: No. The 200 series are from Diane
5 Weissenberger who has testified.

6 THE COURT: All the others are from people who have
7 testified?

8 MR. SCHMIDT: Or are just simply chargebacks that
9 don't provide that much information.

10 THE COURT: And your concern is that it says fraud?

11 MR. SCHMIDT: Yes.

12 THE COURT: Let me take a look.

13 Is this the only one that says fraud?

14 MR. SCHMIDT: The only one that we have concern about
15 in the 200 series.

16 MR. SOBELMAN: Your Honor, the government is unclear
17 on what the basis for the defendant's objection is. It sounds
18 like it could be a 403 objection.

19 THE COURT: It is a 403 objection.

20 MR. SOBELMAN: There is no basis to rule differently
21 on an evidentiary ruling such as this, in terms of documents,
22 whether a witness is testifying or not.

23 THE COURT: On 403, he is concerned about the word
24 "fraud." I see this as a 403 objection.

25 MR. SOBELMAN: This document doesn't mention Mr.

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1 Schmidt's client, and he is not on the e-mail. There is no
2 connection to him, and we are not going to make an argument
3 that this particular document has any connection to him.

4 MR. SCHMIDT: They are not making an argument, but
5 they are going to be making an argument about the amount of
6 fraud that existed and they can point then to this. Indeed, it
7 does make a difference under 403 if a witness has testified to
8 actions that equal fraud than a document coming in that simply
9 repeats or summarizes that action is obviously much less
10 prejudicial than of another person.

11 THE COURT: I am going to make a ruling under 403 that
12 the probative value here is not substantially outweighed by a
13 danger of unfair prejudice or confusing the issues. I am going
14 to allow the word "fraud" to come in.

15 Next.

16 It's simply one word on the box. The whole case is
17 about wire fraud and money laundering. It's not overly
18 prejudicial.

19 MR. SCHMIDT: Your Honor, I believe 237 has the
20 same -- I am looking for that word.

21 THE COURT: How long does the government have -- while
22 you're looking for the document after the weekend, how long
23 does the government have with this witness?

24 MR. SOBELMAN: Probably an hour to an hour and a half.

25 THE COURT: Who is the next witness?

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1 MR. SOBELMAN: Jane Thompson.

2 THE COURT: And tell me who she is and how long she
3 will be.

4 MR. SOBELMAN: She is a victim, and she will be
5 approximately two and a half hours on direct. She is the
6 victim that had the \$150,000 fraud amount.

7 THE COURT: Well, that may be today.

8 What is the projection for the government to rest its
9 case?

10 MR. SOBELMAN: We are currently evaluating what, if
11 any, witnesses we can cut that we were planning to call, both
12 in light of the way the trial has gone and also the length
13 which we did not expect. We are hoping to rest Wednesday, but
14 that will depend on how today goes of course.

15 THE COURT: Today will go very efficiently.

16 What other documents do we have, sir, that you're
17 concerned about?

18 MR. SCHMIDT: 238, page 2, your Honor.

19 THE COURT: Mr. Sobelman, I didn't mean to cut you
20 off, sir. You were talking.

21 MR. SOBELMAN: That's fine, your Honor.

22 THE COURT: Let me see 238.

23 This is also in the 200 series.

24 MR. SCHMIDT: Yes.

25 MR. SOBELMAN: The government's position is the same.

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1 THE COURT: Let me read it.

2 Mr. Schmidt, this does look like more of the same.

3 This is in the 200 series. It's going to come in that it's not
4 for the truth of what is set forth. The government is not
5 going to be reading this to the jury. It's only for the state
6 of mind of Shahram Ketabchi. What is the issue?

7 MR. SCHMIDT: I understand, your Honor. However, the
8 salespeople for the company include Mr. Owimrin. So when there
9 is talk about what kind of false promises were made by Al, that
10 includes Mr. Owimrin. This person is not available to
11 cross-examine.

12 THE COURT: So this is the same objection that we have
13 been dealing with.

14 MR. SCHMIDT: Yes.

15 THE COURT: Same ruling under 403.

16 MR. SCHMIDT: I can add something else important, your
17 Honor, to this. We have found complaints made by certain
18 customers relating to promises of money coming in that deal
19 with merchant processing, which is not something that the
20 companies that Mr. Owimrin work for did, but the companies
21 before them who were involved in fraud did.

22 THE COURT: Mr. Schmidt, juries do follow instructions
23 of the judge and this is going to come in solely for the state
24 of mind of Shahram Ketabchi. Under 403, I am making the same
25 finding.

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1 MR. SCHMIDT: It's coming in for the state of mind
2 because it says salesmen at A1 are falsely giving promises of
3 return investments.

4 THE COURT: It's coming in for the state of mind
5 because it was found in his apartment.

6 End of discussion, sir. We are moving on. I am
7 making a 403 ruling that its probative value is not
8 substantially outweighed by a danger of unfair prejudice.

9 MR. SCHMIDT: We move to 401.

10 THE COURT: How many more do we have of these?

11 MR. SOBELMAN: We will withdraw 401.

12 THE COURT: Withdrawn.

13 Next.

14 The government may be well put to take that position.
15 Remember, I said I don't want to scores and scores of documents
16 solely for state of mind.

17 MR. SOBELMAN: Yes, your Honor. We have slimmed it
18 down substantially after your Honor's ruling.

19 MR. SCHMIDT: Your Honor, 428 and 429. Both of those,
20 we believe that these are not only prejudicial 403, but they
21 are statements not made in furtherance of the conspiracy.

22 THE COURT: Let me see it.

23 It's during the time period, November 2015, but you're
24 saying it's not in furtherance of. Is that your position?

25 MR. SCHMIDT: That is correct.

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1 THE COURT: Let me read it.

2 It's from somebody with one of the card companies, is
3 that it?

4 MR. SCHMIDT: Yes.

5 THE COURT: And it's to Shahram and Arash.

6 MR. SCHMIDT: That is correct. I don't believe that
7 Heidi from the US Card System has been found to be a member of
8 the conspiracy.

9 THE COURT: Well, she's not.

10 MR. SOBELMAN: That's not the government's position.
11 The government's position is that she is a member of the
12 conspiracy for these purposes.

13 THE COURT: Wait. I thought she is at one of the card
14 companies.

15 MR. SOBELMAN: Yes, your Honor, and she is knowingly
16 facilitating the fraud.

17 THE COURT: What is the evidence of that?

18 MR. SOBELMAN: We have had several e-mails which are
19 in evidence, which I can point your Honor to, that are evidence
20 that she aware of the nature of the fraud. There were e-mails
21 where she says, Well, We told the credit card company it was
22 company one, but really it's company two. We have to be
23 careful to make sure we get our lies straight. Not in those
24 words, but that's the takeaway.

25 THE COURT: Go ahead, Mr. Schmidt.

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1 MR. SCHMIDT: It wasn't in those words because that
2 was not what was said. What was basically said is that, if you
3 have a sale for one company, you can't process the sale using
4 two companies. That will cause you problems. It won't go
5 through. If you're going to have two sales --

6 THE COURT: Was she acting on behalf of MasterCard?
7 Who is she acting on behalf of it?

8 MR. SCHMIDT: Apparently, there are processors who
9 have agreements with actual credit card companies.

10 THE COURT: Processors who handle it for MasterCard.
11 Now that you say that, I do remember things from her
12 in evidence.

13 MR. SCHMIDT: But there are warnings that you can't do
14 it this way, otherwise it will not be processed, which is not
15 sufficient to put her in the conspiracy.

16 THE COURT: OK. Let me take a look -- what is the
17 government's position on that?

18 MR. SOBELMAN: We strongly disagree. We think that
19 the e-mails, and we ask bring them back up --

20 THE COURT: Under *Bourjaily*, there does have to be a
21 prima facie showing of participation in the conspiracy.

22 MR. SOBELMAN: We think Mr. Sinclair's testimony about
23 her role, the e-mails that are already in evidence, as well as
24 the e-mails we intend to offer, more than surpass that prima
25 facie showing that she was a member of the conspiracy.

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1 THE COURT: Can somebody pull up easily Sinclair's
2 testimony about it?

3 MR. SOBELMAN: We will make an effort. I will also
4 pull up the exhibits that are already in evidence.

5 MR. SCHMIDT: If I recall, the testimony that Mr.
6 Sinclair had concerning the processing was that these were, the
7 companies were high-risk processors.

8 Now, there are some companies, there's no question --

9 THE COURT: High-risk processor, did he say what that
10 meant?

11 MR. SCHMIDT: I don't know.

12 MR. SOBELMAN: Yes, your Honor.

13 MR. SCHMIDT: I am assuming it's because there's more
14 chargebacks.

15 THE COURT: It's a company -- I am making this up --
16 hired by MasterCard to handle paperwork for chargebacks from
17 merchant accounts that have a lot of chargebacks?

18 MR. SOBELMAN: Your Honor, may I try to offer some
19 clarity? Mr. Schmidt is saying he's assuming. I actually know
20 based on my work in this case.

21 The US Card System's company that Ms. Brownfield
22 worked for is a middleman. It's an independent company. It's
23 not a subsidiary or agent of MasterCard. It's an independent
24 company. They work in a high-risk space. Mr. Sinclair
25 testified that the high-risk space deals with companies like

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1 his that have an extraordinarily high rate of chargebacks. And
2 the e-mails and his testimony, we think, made clear that she
3 was involved in helping them game the system in order to --

4 THE COURT: That's what I want to take a look at. So
5 if you can get me Sinclair's testimony on that and/or I will
6 look at your documents. But somebody from the Owimrin team,
7 Mr. Schmidt, perhaps your paralegal, should try to contact Mr.
8 Owimrin and see what his status is.

9 Mr. Owimrin is behind the computer screen. Welcome,
10 sir. I apologize to you for not seeing you there.

11 MR. SCHMIDT: Should we move on to the other ones?

12 MR. SOBELMAN: I will actually put up the transcript.
13 We have it ready.

14 We want to put up page 372 of the transcript.

15 Your Honor, I am not sure if you have an exhibit
16 binder in front of you, but also Exhibit 407 is one of the
17 e-mails that's already in evidence.

18 THE COURT: We don't have that binder.

19 Let me read 371. It's up.

20 Give me the bottom of 371.

21 372.

22 Is Sinclair reading from -- is it 407 that's being
23 referenced on 372?

24 MR. SOBELMAN: Yes, your Honor.

25 THE COURT: I am reading Government Exhibit 407.

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1 This is from Heidi to Arash and Olive Branch.

2 Mr. Schmidt, isn't the government right at least for
3 *Bourjaily* purposes? He or she is saying, "Considering that the
4 account was ordered closed by MasterCard, it wasn't because we
5 were able to throw Element under the bus." It certainly
6 suggests she is part of the conspiracy.

7 "It probably wasn't the best idea to settle the
8 largest batch you've ever had. Lots of red flags going off
9 there." She is warning, as it were, Arash and Olive Branch
10 Marketing.

11 MR. SCHMIDT: Your Honor, the chargebacks themselves
12 have not been proven to be means that there is a fraud.

13 THE COURT: I agree, but she says, "It wasn't because
14 we were able to throw Element under the bus."

15 I am finding, for *Bourjaily* purposes, she is a member
16 of the conspiracy and this is in furtherance and in the course
17 of the conspiracy for 801(d)(2)(E).

18 That handles what number, sir?

19 MR. SCHMIDT: 428 and 429.

20 THE COURT: All right.

21 Next.

22 MR. SCHMIDT: 451, your Honor.

23 451 is an e-mail where I believe one of the witnesses
24 lists Arash Ketabchi. The lists are Excel files. This exhibit
25 has like 12 huge Excel files, with hundreds or thousands of

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1 names, that is impossible for us to review to understand what
2 the purpose of that exhibit is. If the purpose is to show that
3 Ms. Marcus is e-mailing Arash Ketabchi lead lists, the e-mail
4 is sufficient for that purpose.

5 So on due process grounds, because there is no way to
6 defend something as huge and somewhat purposeless than that, we
7 have an objection to the attachments.

8 Now, if the government comes up with a specific reason
9 why something in there is particularly important and relevant,
10 then I may have to revisit that, but as of this time, I can't
11 possibly know what the purpose is of having all of those --

12 THE COURT: Understood.

13 Government.

14 MR. SOBELMAN: The purpose for which we choose to use
15 an exhibit is not an objection; it's not a basis for an
16 objection.

17 THE COURT: Correct. What is the purpose for which
18 you intend to use this exhibit?

19 MR. SOBELMAN: Your Honor, these are lead lists --

20 THE COURT: Yes.

21 MR. SOBELMAN: We can reconsider whether to offer them
22 or not. If the defense is going to stick to their objection
23 that they are so long that they couldn't review them, they have
24 had them for months, if not years.

25 THE COURT: No.

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1 MR. SOBELMAN: These are lead lists that were passed
2 from one member of the conspiracy to another.

3 THE COURT: Why do you need the lead lists in? You're
4 going to get in the exhibit just without the attachments.

5 MR. SOBELMAN: We won't offer it today. We can
6 discuss whether they are necessary or not.

7 THE COURT: Next.

8 MR. SCHMIDT: Your Honor, 511 and 512.

9 THE COURT: I think you had four exhibits. We are now
10 up to about eight. How many more do you have?

11 MR. SCHMIDT: We have many more than that.

12 THE COURT: To go?

13 MR. SCHMIDT: I think we have four more after this.

14 THE COURT: All right.

15 MR. SCHMIDT: This one --

16 THE COURT: Ms. Blakely, tell the jury we apologize.
17 We are handling legal matters and we will be with them shortly.

18 MR. SCHMIDT: We will skip that one. We will not
19 oppose that one being entered.

20 109 -- excuse me, 1009.

21 Your Honor, 1009, we believe these are statements that
22 are banter that is not in furtherance of the conspiracy.

23 MR. SOBELMAN: They are statements of a defendant.

24 MR. SCHMIDT: It still has to be in furtherance of the
25 conspiracy.

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1 MR. SOBELMAN: No. 801(d)(2)(A).

2 THE COURT: I will look at 801(d)(2)(A), but it's
3 statements of an adverse party, sir.

4 Let me look at 801(d)(2)(A).

5 MR. SCHMIDT: Your Honor, it's apparently between
6 Arash and -- it's about Arash -- between Arash and Shahram and
7 they are talking about Andrew. That's hearsay.

8 MR. SOBELMAN: This is both 801 -- yes, your Honor.

9 THE COURT: Sir, 801(d)(2)(A), a statement that meets
10 the following conditions is not hearsay:

11 (2) the statement is offered against an opposing
12 party. The government is offering it against your client. And
13 (A) was made by the party in an individual capacity.

14 Why isn't that the end of the inquiry?

15 MR. SCHMIDT: Because it's hearsay against my client.
16 My client did not make the statement.

17 MR. SOBELMAN: This also falls under 801(d)(2)(E).

18 THE COURT: What are they saying here?

19 MR. SOBELMAN: They are talking about sales and how
20 Andrew is happy about the amount of sales he has made. These
21 are comments being made in furtherance and during and in
22 relation to the conspiracy.

23 MR. SCHMIDT: It's not in furtherance. It's not that
24 every single statement made by two conspirators are in
25 furtherance of the conspiracy. It doesn't further anything

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1 that Andrew is happy.

2 THE COURT: Just a moment.

3 I don't know that this adds anything. I will strike
4 this section.

5 Go ahead.

6 MR. SOBELMAN: Your Honor, may I have a moment to
7 confer with co-counsel on this issue.

8 THE COURT: Yes.

9 That section doesn't do anything for anybody.

10 MR. SOBELMAN: Your Honor, this conversation is about
11 Arash Ketabchi and Shahram Ketabchi talking about Andrew making
12 sales and then later in the conversation how they are going to
13 hold on to that money through their use of the merchant
14 accounts and contracts. These are plainly in furtherance of
15 the conspiracy.

16 If it's 801(d)(2)(E), then there is no concern about
17 which party it's being offered against because they are both
18 members of the same conspiracy.

19 MR. SCHMIDT: Perhaps we could just take out the two
20 lines that relate to Andrew.

21 MR. SOBELMAN: We understand that this might be
22 damaging evidence to Mr. Owimrin's case, but that's not a
23 hearsay bar.

24 THE COURT: I don't see it much one way or the other
25 in terms of damage.

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1 MR. SOBELMAN: Mr. Schmidt can make whatever argument
2 he wants to the jury, but the fact is this is not hearsay.

3 MR. SCHMIDT: That part of the conversation is not in
4 furtherance. It's simply banter between two people.

5 THE COURT: "I just hope they don't hold our money.
6 These merchant accounts can get funny."

7 MR. SOBELMAN: What this shows is Mr. Shahram Ketabchi
8 is fighting the chargebacks that are being caused by Andrew
9 Owimrin's sales. And this is evidence that they are indeed
10 co-conspirators.

11 THE COURT: I think the government has changed my
12 mind, Mr. Schmidt. Under 801(d)(2)(E) it does come in. It's
13 central actors.

14 Move on.

15 MR. SCHMIDT: Your Honor, 1126.

16 MR. SOBELMAN: Your Honor, perhaps I can short-circuit
17 this. This is the same knowledge argument we are going to have
18 with relation to the 200 series. The 1100 series are all
19 documents that were removed from one of Shahram Ketabchi's
20 electronic devices. We are happy to consent to the same
21 limiting instruction.

22 THE COURT: Mr. Schmidt.

23 MR. SCHMIDT: The same position that we have had
24 before, your Honor.

25 THE COURT: Somebody should read this to me rather

IAT8KET1

1 than have me try to translate it on the screen.

2 "Elizabeth."

3 Go ahead. Who wants to read it? The Court will.

4 "I have the records of most of the contact names of
5 companies, their phone numbers and some personal cell phone
6 numbers. I have sent \$11,000 and the \$180 for state licenses.
7 Now they want a total of \$22,500 for more license and more
8 contacts. I have told them no more money until I get contacts
9 before I send them any more money. Also went to my bank,
10 closed all of my personal banking and credit card cards so they
11 have no access to my accounts. Let me know how things stand.
12 Send me the complaint form." And there is a signature.

13 This is found in Shahram's apartment, is that it?

14 MR. SOBELMAN: It's on one of his electronic devices,
15 your Honor.

16 THE COURT: Same instruction.

17 Move on.

18 MR. SCHMIDT: The only thing we have left, just so the
19 record is clear, we also have objections to 1216, 1217, 1218,
20 1219 and 1131 for the same reasons.

21 THE COURT: Well, have we covered the 1200 series?
22 It's the same, is that what you're saying?

23 MR. SOBELMAN: The 1100, 1200 and 1300 series are all
24 from electronic devices that were seized from Shahram
25 Ketabchi's apartment. The government's position is the same.

IAT8KET1

1 THE COURT: Same ruling.
2 Bring the jury in.
3 (Continued on next page)

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IAT8KET1

Giattino - Direct

1 (Jury present)

2 ANTHONY GIATTINO, resumed.

3 THE COURT: Please be seated in the courtroom.

4 Ladies and gentlemen, thank you all for being here.

5 You were and have been and it's appreciated. We were actively
6 handling legal matters. So I apologize for that time you were
7 waiting, but I assure you it has helped expedite the
8 presentation of evidence here, and we are moving forward and we
9 will have a full day of an efficient presentation of proof.

10 Government, you may continue with the direct
11 examination.

12 Mr. Giattino, sir, you understand you remain under
13 oath, correct?

14 THE WITNESS: Yes.

15 THE COURT: Proceed.

16 MR. SOBELMAN: Ms. Lee, can you please pull up a copy
17 of what is in evidence as Government Exhibit 1128.

18 DIRECT EXAMINATION Cont'd)

19 BY MR. SOBELMAN:

20 Q. Special Agent Giattino, do you recall being shown this
21 document on Friday?

22 A. Yes.

23 Q. A couple of questions about a couple of the documents we
24 saw on Friday and then we will move on to some new ones.

25 Did you have an opportunity to view the original

IAT8KET1

Giattino - Direct

1 digital version of this document?

2 A. Yes.

3 Q. As it was removed from Shahram Ketabchi's electronic
4 device?

5 A. Yes.

6 Q. What format was this document?

7 A. It was in Word format.

8 Q. What is Word format?

9 A. Microsoft Word is a program where you can create or edit
10 documents.

11 MR. SOBELMAN: Ms. Lee, can you please put up
12 Government Exhibit 1129.

13 Q. Same question with respect to this document.

14 A. Yes. I remember it, and I saw this in its native format,
15 which was a Word document as well.

16 MR. SOBELMAN: Ms. Lee, can you please put up
17 Government Exhibit 1313.

18 Q. Same question with respect to this document.

19 A. Yes. I did see this document in its Word format.

20 MR. SOBELMAN: Ms. Lee, can you please show --

21 The government offers the next group of documents,
22 which are Government Exhibits 246, 414, 421, 1011, 1013, 1014,
23 1018, 1137, 1139, 1140, and 1141.

24 THE COURT: You included documents in the 1000 series.
25 Is that the same as the 200 and 1100 series for purposes of

IAT8KET1

Giattino - Direct

1 instructions or no?

2 Mr. Hassen.

3 MR. HASSEN: I am just looking at the numbers.

4 MR. SOBELMAN: No, your Honor. The 1000 series are
5 text messages that we are offering for their truth.

6 THE COURT: Are you offering what you have said into
7 evidence at this point?

8 MR. SOBELMAN: Yes, your Honor.

9 THE COURT: For the 200 series documents and the 1100
10 series documents, I am admitting those, ladies and gentlemen,
11 not for the truth of what is set forth there, but simply for
12 the state of mind of Shahram Ketabchi. All right. Only for
13 Shahram Ketabchi's state of mind.

14 The 1000 series are simply being admitted without
15 objection.

16 (Government's Exhibits 246, 414, 421, 1011, 1013,
17 1014, 1018, 1137, 1139, 1140, and 1141 received in evidence)

18 (Continued on next page)

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IATJKET2

Giattino - direct

1 Q. Ms. Lee, pull up now in evidence as Government Exhibit
2 1011.

3 Special Agent Giattino, are these similar to text
4 messages we looked at on Friday?

5 A. Yes.

6 Q. Can we read them and please play the same roles as we did
7 before, which is if you can be Shahram Ketabchi, which are the
8 outgoing messages, and I will be Arash Ketabchi, which are the
9 incoming messages. Before we do that, can you read the date on
10 these?

11 A. Sure. The date is October 20th, 2015. Making new sales
12 guy, get 15 percent. Okay. Again you get email and mailing
13 address.

14 Q. Not maybe they get 12 percent max out at 15 percent?

15 A. Okay.

16 Q. Send him 20 percent, 5 percent of MM Miller deal?

17 A. So Andrew and Reagan, special family cut.

18 Q. \$14,995.00. And they have been getting that and older in
19 business. I'm hooking them up.

20 A. Okay. Tomorrow when funds ready let me know and I will
21 process \$3,748.75 to come pass, the \$3,748.75.

22 Q. I barely make money after 17 percent to sales, 16 percent
23 merchant, 10 percent fulfillment, 25 percent lead source what's
24 left of 15 K? And appointment setter and regular overhead
25 stuff.

IATJKET2

Giattino - direct

1 A. \$4,800 your cut after those percentages on a \$15,000 deal.

2 Q. Won charge-back on debt.

3 A. Well, we have to fight them and win. That is where

4 computer and Youngevity come into all other protocols.

5 Charge-backs are inevitable.

6 Q. Ms. Lee, please put up Government Exhibit 1013. What is

7 the date on these text messages?

8 A. October 21st, 2015.

9 Q. Let's read the same roles. You can be Shahram Ketabchi

10 which is outgoing, and I'll be Arash Ketabchi, which is

11 incoming.

12 A. We need to set up two more 800 numbers for new d/b/a for

13 Ray, ring central.

14 Q. Use same ones. Don't waste money.

15 A. We can do that but if they search, they will see link and

16 no go. What do you think?

17 Q. That's true?

18 A. Merchant account no go then C. Broski, we need to have \$1

19 million a month merchant credit lines and they may deposit.

20 Thank you. Once you add 10 more salesmen, better than Andrew

21 and Reagan, boom.

22 Q. Special Agent Giattino, just remind us what these black

23 diamonds with the question marks in the middle signify?

24 A. Yes, these are the emojis and this is like the software,

25 just like a place-holder for what were emojis in the original

IATJKET2

Giattino - direct

1 format.

2 THE COURT: So the jury can't see, we don't know what
3 the original emojis were. Is that right?

4 THE WITNESS: Yes, sir.

5 BY MR. SOBELMAN:

6 Q. Ms. Lee, please pull up Government Exhibit 414 and if you
7 could zoom in. Special Agent Giattino, what is the date on
8 this email?

9 A. October 21, 2015.

10 Q. What is the subject line?

11 A. \$4,000 retrieval for A1.

12 Q. Who is it from?

13 A. Positive faith at Gmail dot com.

14 Q. Who is it to?

15 A. ID at U.S. card system dot com.

16 Q. Please reads these emails.

17 A. High Heidi/Arash and Bill were working together previously,
18 any retrievals before 6-20-2015, please discuss with Bill but
19 let us know -- sorry, let us know first he can respond
20 accordingly? Also how much of a monthly volume increase have
21 we been granted this month. Can we use it today? Thank you.

22 Q. Who is it signed by?

23 A. Steve.

24 Q. Ms. Lee, can you please pull up Government Exhibit 1014.

25 What are the date on these text messages?

IATJKET2

Giattino - direct

1 A. Also October 21st, 2015.

2 Q. Let's read the same roles. You can be outgoing, which is
3 Shahram Ketabchi, and I'll be incoming, which is Arash
4 Ketabchi.

5 A. Okay. It began you give me two addresses not linked to A1
6 for d/b/a's.

7 Q. Yours?

8 A. In New Jersey where they are registered.

9 Q. Hum, why would a d/b/a need separate address plus why can't
10 we use UPS address?

11 A. For web when they check is you. We need to show legitimacy
12 because UPS is already with A1. We can add UPS new. Once we
13 open accounts, we can always close them down again but
14 different UPS store not Burdan, Burdan like A1. Once we get
15 merchant accounts open, we can. Maybe Andrew or Reagan's
16 address.

17 Q. Yes ask them but they opened LLC, too.

18 A. Well for merchant. They may get accounts for same banks,
19 so no.

20 Q. Yes.

21 Ms. Lee, please pull up Government Exhibit 421 and
22 zoom in on the middle. Special Agent Giattino, what is the
23 date on this email?

24 A. October 28th, 2015.

25 Q. What is the subject line?

IATJKET2

Giattino - direct

1 A. Increase of account balance limit.

2 Q. Who is it from?

3 A. Positive faith at Gmail dot com.

4 Q. Who is it to?

5 A. Admit at U.S. Card System dot com and Heidi at U.S. Card
6 System dot com.

7 Q. Who is on the CC?

8 A. Ketabchi dot Arash at gmail dot com.

9 Q. Please read this email.

10 A. Hi, Michael and Heidi. Can you please give us the status
11 of our pending volume increase. Thank you.

12 Q. Who is it signed by?

13 A. Steve.

14 Q. Let's take a look at Page 3 of this document. Zoom in on
15 the email. What is the date on this email?

16 A. October 23rd, 2015.

17 Q. Five days before the email we just read?

18 A. Yes.

19 Q. Who is it to?

20 A. Heidi Brownfield.

21 Q. Who is it from?

22 A. Steve K.

23 Q. Who is on the CC?

24 A. Arash Ketabchi and Michael Wigdore.

25 Q. What is the subject line?

IATJKET2

Giattino - direct

1 A. Increase account balance limit.

2 Q. What is the importance?

3 A. Hi.

4 Q. Please read this email.

5 A. Hello, Heidi. We just charged \$7,500 and it was declined
6 due to an insufficient balance left on the account this month.
7 Can you please have our limits adjusted immediately as we
8 discussed previously with Jay to have the gateway lifted so we
9 can make ours -- make our sale and not lose business. Please
10 confirm. Thank you.

11 Q. Who is it signed by?

12 A. Steve.

13 Q. Ms. Lee, please pull up Government Exhibit 246. Zoom in on
14 the top half. What is the date on this email?

15 A. October 30, 2015.

16 Q. Who is it from?

17 A. Steve at A1 Business Consultants dot com.

18 Q. Who is it to?

19 A. IRJ 2315 at Gmail dot com.

20 Q. What is the subject line?

21 A. A1 email data.

22 Q. Please read the handwriting on the right side.

23 A. Sure. One, My brother and mine only on our comps. Two,
24 delete my mail from what comp it's on and then the No. 3.

25 Q. Can you please read the sentence that is under email set up

IATJKET2

Giattino - direct

1 and who's computer it goes on.

2 A. Please use the actual email address as what customers will
3 see for the business emails and use the full names as the
4 header for the sales team.

5 Q. And what is listed beneath. Please read it.

6 A. Their names, Zack Peterson, Connor Swanson, Jonathan
7 Stewart, Sophia Lopez, Jen Hughes.

8 Q. Ms. Lee, please zoom in on the bottom half of the page.

9 Next to Zack at A1 Business Consultants dot com, who
10 whose name is listed?

11 A. Arash.

12 Q. Please lee please take a look at Page 2 of this document.
13 Please zoom in on the top half.

14 Next to Jonathan at A1 Business Consultants dot com,
15 whose name is listed?

16 A. Andrew.

17 Q. Ms. Lee, can you please pull up Government Exhibit 1018.

18 What is the date on these text messages?

19 A. January 26th, 2016.

20 Q. Let's read them with the same roles, I'll be Arash
21 Ketabchi, which is incoming, and you can be Shahram Ketabchi,
22 which is outgoing.

23 A. Nothing in this. He is waiting.

24 A. No number here. Plus waiting for new LLC to apply for new.
25 A1 on blacklist. You're --

IATJKET2

Giattino - direct

1 Q. Our on blacklist?

2 A. Galgano said his bank saw our closed in so for yes that is
3 why he couldn't open. Best chance for A1 is international. If
4 Graham says same, then we know again.

5 Q. 9737229342 Chris Reynolds. Ms. Lee, please pull up
6 Government Exhibit 1139.

7 Special Agent Giattino, generally what do we see on
8 this exhibit?

9 A. It looks like bank information, bank account information.

10 Q. What is the entities or names listed under recipient for
11 each of these three?

12 A. A1 Business Consultants, LLC for the first two. The last
13 one is Arash Ketabchi.

14 Q. Ms. Lee, please show show us the second page. The same
15 question.

16 A. The recipient in the first box is Arash Ketabchi. The
17 second, in the second box, it is Dashes Salon, LLC and then in
18 the third, the recipient is Elevated Business Consultants, LLC.

19 Q. Ms. Lee, please take a look at the last page, the third
20 page. The same question.

21 A. The recipient here is Arash Ketabchi.

22 Q. Ms. Lee, please pull up Government Exhibit 1137. Zoom in
23 on the top half. Can you please read the title of this
24 document?

25 A. Product and services agreement with A1 Business Consultants

IATJKET2

Giattino - direct

1 LLC.

2 Q. Is there a date listed on this document?

3 A. No.

4 Q. Is there a name of a person that is engering into a
5 contract listed?

6 A. No. .

7 Q. Is there an amount listed on this document?

8 A. Sorry?

9 Q. Is there an amount for the contract listed?

10 A. No.

11 Q. Ms. Lee, please go to the third page. Is there a signature
12 here?

13 A. No.

14 Q. Or a date?

15 A. No.

16 Q. Or credit card number?

17 A. No.

18 Q. Ms. Lee, please put up Government Exhibit 1140. Zoom in so
19 it can be read. Pause for the jury to read it.

20 (Pause)

21 Are there any specifics listed in this document,
22 Special Agent Giattino? By that I mean a name, an address,
23 credit card number?

24 A. No.

25 Q. Are you familiar with a template?

IATJKET2

Giattino - direct

1 A. Yes.

2 Q. What is a template?

3 A. A template is kind of a, I want to use the word go-by. It
4 is a format for you to kind of just put in the specifics as you
5 know them.

6 Q. Based on your review of those two documents, do they seem
7 like templates to you?

8 A. Yes.

9 Q. Ms. Lee, please put up Government Exhibit 1141.

10 Special agents Giattino, would you please read the
11 title on this document?

12 A. Refund authorization form.

13 Q. Are there any particular customer's information filled out
14 on this form?

15 A. No.

16 Q. Is this also a template?

17 A. It appears to be one, yes.

18 MR. SOBELMAN: At this time, the government offers
19 Government Exhibit 229, 243, 416, 1212 and 1213.

20 THE COURT: Admitted subject to the sidebar.

21 (Government's Exhibits 229, 243, 416, 1212 and 1213
22 received in evidence)

23 THE COURT: Ladies and gentlemen, these documents also
24 are being given to you not for the truth of what is set forth,
25 but for a limited purpose; namely, for the state of mind of

IATJKET2

Giattino - direct

1 sham or Steve Ketabchi. Proceed.

2 MR. SOBELMAN: Just to clarify, that is with respect
3 to the 200 series and the 1200 series, but the Government
4 Exhibit 416, the government's view is that did not apply to
5 that document.

6 THE COURT: 416 is simply being admitted.

7 BY MR. SOBELMAN:

8 Q. Ms. Lee, please put up Government Exhibit 1212. Please
9 zoom in on the top half of the page.

10 Special Agent Giattino, what is the title of this
11 document?

12 A. Product and Services Agreement with A1 Business Consultants
13 LLC.

14 Q. Would you please read the date on this document.

15 A. October 7th, 2015.

16 Q. What is the company listed here?

17 A. A1 Business Consultants, LLC.

18 Q. Can you please read the amount of money listed under
19 products and services?

20 A. \$14,495.00.

21 Q. What are the services provided listed under services
22 provided?

23 A. Business plan, Corp. Credit.

24 Q. Just to refresh our memories, the stipulations we looked at
25 on Friday, did they state that the 1200 series are all

IATJKET2

Giattino - direct

1 documents taken from Mr. Ketabchi's electronic devices?

2 A. Yes.

3 Q. Go to Page 3 of this document. When I say "Mr. Ketabchi,"
4 I, of course, mean Shahram Ketabchi.

5 Is there a signature on this?

6 A. Yes.

7 Q. Whose name is that?

8 A. Diane Weissenberger.

9 Q. What is the date on the document?

10 A. The date, I am sorry, October 7th, 2015.

11 Q. And at the bottom of the page, what amounts of money are
12 being charged?

13 A. \$7,495.00 and \$7,000.

14 Q. Ms. Lee, please put up Government Exhibit 229.

15 Special Agent Giattino, with respect to this
16 stipulation, is the 200 series are hard-copy documents that
17 were removed by your team from Shahram Ketabchi's apartment?

18 A. Yes.

19 Q. Can you please read the name that is listed in the shipment
20 from?

21 A. A1 Business Consultants, LLC.

22 Q. Can you please read the name that is listed under extremely
23 urgent delivery to?

24 A. Diane Weissenberger.

25 Q. What is the city and state listed for Ms. Weissenberger?

IATJKET2

Giattino - direct

1 A. Indianapolis, Indiana.

2 Q. What is the date listed on the very bottom right of the
3 document under date of shipment?

4 A. It looks like October 12th, 2015.

5 Q. Ms. Lee, can you please put up Government Exhibit 411.

6 What is the date on this email?

7 A. October 19th, 2015.

8 Q. What is the subject line?

9 A. Document request for AI Business Consultants, LLC.

10 Q. Who is it from?

11 A. Positive faith at Gmail dot com.

12 Q. Who is it to?

13 A. Heidi at U.S. Card System dot com.

14 Q. Who is on the CC?

15 A. Ketabchi dot Arash at gmail dot com.

16 Q. Please read this email.

17 A. Dear Heidi, as per your request, attached is Diane
18 Weissenberger's sales contract. Also we have an agreement to
19 have our commissions lowered 6 percent from 17 percent. Can
20 you please have all the sales from this agreement date credited
21 back to our account ASAP. Please confirm reception. Thank
22 you. PS: Please make sure Bill Sinclair is never CC'd again.
23 Best of health, Steve.

24 Q. Ms. Lee, please put up Government Exhibit 243. Special
25 Agent Giattino, what is the date that is written on the top of

IATJKET2

Giattino - direct

1 this document?

2 A. October 23rd, 2015.

3 Q. Can you please read the dates and names and amounts that
4 are listed below that.

5 A. Sure. October 7, Ida, \$8,999.00. October 7, Diane,
6 \$14,495.00. October 12, Patricia, \$9,995.00. October 15,
7 Linda, \$7,495.00. October 15, Emma, \$14,995.00. October 15,
8 Charlene, \$19,995.00.

9 Q. Take a look at the bottom half of the page. Read the
10 amount listed next to Andrew.

11 A. \$5,618.29.

12 Q. What is underneath that? It looks like 10 slash 14 Ida.

13 What is the number to the right of that?

14 A. \$4,950.00.

15 Q. What does it say after that?

16 A. "Upset."

17 Q. There is an arrow pointing to two names circled. What are
18 those names?

19 A. Reagan and Andrew.

20 Q. What are the amounts next to those?

21 A. \$217.00 next to each name.

22 Q. Take a look at Page 2. Can you please read the names and
23 amounts listed here?

24 A. Yes. It says Reagan, \$5,835.29; Andrew, \$5,835.29.

25 Q. Ms. Lee, please put up Government Exhibit 416.

IATJKET2

Giattino - direct

1 Special Agent Giattino, what is the date on this
2 email?

3 A. October 23rd, 2015.

4 Q. What is the subject line?

5 A. Pay out First Trend Marketing.

6 Q. Who is it from?

7 A. Positive faith at Gmail dot com.

8 Q. Who is it to?

9 A. Ketabchi dot Arash at Gmail dot com.

10 Q. Can you please read this email.

11 A. October 23, 2015. Equals pay out First Trend Marketing.

12 Linda Purvis equals 7,000 \$7,495.00. Diane Weissenberger

13 equals \$14,495.00. Charlene Foster equals \$19,999.00. Total

14 sales equals \$41,989.00. Total commission equals \$12,600.00.

15 Best of health, Steve.

16 Q. Ms. Lee, please put up Government Exhibit 1213. Zoom in on
17 the top half.

18 Special Agent Giattino, what is the company that
19 listed at the top of the document?

20 A. A1 Business Consultants, LLC.

21 Q. What is the date on the right side?

22 A. July 25th, 2016.

23 Q. Please read the letter.

24 A. To whom it may concern. Regarding Diane Weissenberger,

25 case No. 2016197003590. A1 Business Consultants, LLC disputes

IATJKET2

Giattino - direct

1 this charge-back. In response to our client's claim that they
2 did not receive their goods or services. The agreed upon
3 products/services listed below have been fully rendered and
4 have been delivered. I have also attached all of the documents
5 and services that we have completed for our client. Business
6 plan. Corp. Credit.

7 Q. I'll stop you there. Thank you.

8 MR. SOBELMAN: The government offers Government
9 Exhibit 204.

10 THE COURT: Admitted solely for the purpose of the
11 state of mind of Shahram Ketabchi. It is not for the truth of
12 what is set forth there.

13 (Government's Exhibit 204 received in evidence)

14 BY MR. SOBELMAN:

15 Q. Please put up 204. Special Giattino, what is the title of
16 this document?

17 A. Product and services agreement with Elevated Business
18 Consultant, LLC.

19 Q. What is the date on the document?

20 A. June 17th, 2016.

21 Q. What company is listed in the first paragraph?

22 A. Elevated Business Consultants, LLC.

23 Q. What individual's name is listed toward the end of that
24 paragraph?

25 A. Sally K. Burnett.

IATJKET2

Giattino - direct

1 Q. What is the amount of money listed under products/services?

2 A. \$14,995.00.

3 Q. And what is listed under product/services?

4 A. Corp. Credit, business plan, custom website.

5 MR. SOBELMAN: The government offers Government
6 Exhibit 230, 441, 512 and 1017.

7 THE COURT: Is only 230 subject to the agreement?

8 MR. SOBELMAN: Yes, your Honor.

9 THE COURT: Subject to the same ruling.

10 Ladies and gentlemen, Exhibit 230 is similarly only
11 for the very limited purpose of Shahram Ketabchi's state of
12 mind and for no other purpose. The other documents are for
13 your evaluation as to their truth or not. Proceed.

14 (Government's Exhibit 230 received in evidence)

15 BY MR. SOBELMAN:

16 Q. Ms. Lee, please put up Government Exhibit 512. Zoom in on
17 the email at the very bottom. What is the date on this email?

18 A. December 4th, 2015.

19 Q. Who is it sent by?

20 A. Steve at A1 Business Consultants dot com.

21 Q. Please read this email.

22 A. Hi, Brian. I hope you are doing well. Can you please send
23 us the POF for Patricia Cabral today. Thank you and have an
24 amazing day. Best of regards, Steve K.

25 Q. Ms. Lee, can you please zoom in on the in the email in the

IATJKET2

Giattino - direct

1 middle of the page. What date was this email sent?

2 A. December 4th, 2015.

3 Q. Who is it sent by?

4 A. Brian C, Brian at Your business dot training.

5 Q. Please read the email.

6 A. I can only assume that by POF, you are referring to the
7 safe word, Patricia's safe word is Danny.

8 Q. Ms. Lee, please zoom in on the email in the top of the
9 page. What date was this email sent?

10 A. December 4th, 2015.

11 Q. Who is it sent from?

12 A. Brian at Your Business dot training.

13 Q. What is in the subject line?

14 A. POF request for new CB.

15 Q. Who is it to?

16 A. Steve at A1 Business Consultants dot com.

17 Q. Who is on the CC?

18 A. Ketabchi dot Arash at Gmail dot com, Arash at A1 Business
19 Consultants dot com.

20 Q. Please read the email.

21 A. Just read the notes on the client and I wanted to give you
22 a heads-up. She is a canceled pending. Her son is claiming
23 she has dementia and is in the process of getting power of
24 attorney so she can cancel.

25 Q. Ms. Lee, please put up Government Exhibit 230. Please zoom

IATJKET2

Giattino - direct

1 in on the top half. Thank you. What is the date on this
2 document?

3 A. December 7th, 2015.

4 Q. Who is it addressed to?

5 A. A1 Business Consultants LLC, Arash Ketabchi.

6 Q. Under transaction amount, how much is listed on the left
7 hand signed?

8 A. \$9,995.00.

9 Q. How much is the charge-back amount?

10 A. \$9,995.00.

11 Q. What is the transaction date on the right side?

12 A. October 14th, 2015.

13 Q. What is the received date?

14 A. December 3rd, 2015.

15 Q. Whose listed as the contact person at the bottom of the
16 page?

17 A. Steve Ketabchi.

18 Q. Ms. Lee, please pull up Government Exhibit 441.

19 MR. PAUL: What exhibit number was that, please?

20 MR. SOBELMAN: 230, 2-3-0.

21 BY MR. SOBELMAN:

22 Q. Special Agent Giattino, what is the date on this email?

23 A. December 10, 2015.

24 Q. What is subject line?

25 A. New CB, POF, Patricia Cabral.

IATJKET2

Giattino - direct

1 Q. Who is it from?

2 A. Steve at A1 Business Consultants dot com.

3 Q. Who is it to.

4 A. Info at A1 at Online Systems dot com.

5 Q. Who is on the CC?

6 A. Ketabchi dot Arash at Gmail dot com.

7 Q. Please read the email?

8 A. High, Ray. I hope you are doing well. Can you please give
9 us detailed POF for attached contract of Patricia Cabral with
10 signature delivery confirmation tracking number. The deadline
11 for submissions within five days. Please confirm. Thank you
12 and have an amazing day. Best of regards, Steve K.

13 Q. Ms. Lee, go back to Government Exhibit 230. Take a look at
14 Page 2. You can zoom in on the top half.

15 Special Agent Giattino, what is the date on this
16 document?

17 A. December 15th, 2015.

18 Q. Would you please read the letter through where it says
19 bookkeeping.

20 A. To whom it may concern. Ray, Patricia Cabral Case No.
21 2015338002836. A1 Business Consultants, LLC disputes this
22 charge-back. In response to our client's claim that they did
23 not receive their goods or services, the agreed upon
24 products/services listed below have been fully rendered and
25 have been delivered. I have also attached all of the documents

IATJKET2

Giattino - direct

1 and services that we have completed for our client. Business
2 plan Corp. Credit bookkeeping.

3 Q. Ms. Lee, please take a look at Page 4 of this document.
4 Zoom in on the top half.

5 Special Agent Giattino, what is the title of this
6 document?

7 A. Product and services agreement with Al Business
8 Consultants, LLC..

9 Q. Who is the individual's name listed in the first paragraph?

10 A. Patricia Cabral.

11 Q. Under product/services, what is the amount listed?

12 A. \$9,995.00.

13 Q. What are the services provided?

14 A. Business plan Corp. Credit bookkeeping.

15 Q. Look at Page 6 of this document. Is there a signature on
16 this document?

17 A. Yes.

18 Q. Whose signature is it?

19 A. Patricia Cabral.

20 Q. What is the date?

21 A. October 12th, 2015.

22 Q. The bottom of the page is there credit card information?

23 A. Yes.

24 Q. What is the amount appears to be charged?

25 A. \$9,995.00.

IATJKET2

Giattino - direct

1 Q. Ms. Lee, please pull up Government Exhibit 1017. What is
2 the date on this text messages?

3 A. January 15th, 2016.

4 Q. Let's read it the same way. You can read Shahram Ketabchi
5 and read outgoing, I will be Arash Ketabchi and read incoming.

6 Patricia Cabral, what happened?

7 A. Reversed won, they said, after I fought again after
8 reversal.

9 MR. SOBELMAN: The government offers Government
10 Exhibit 219, 233, 1009, 1206, 1209 and 1211 and the 200 series
11 and 1200 series would be subject to your Honor's limiting
12 instruction.

13 THE COURT: All right. Again, ladies and gentlemen,
14 the Documents 219, 233, 1206, 1209 and 1211 are for a limited
15 reason only, the state of mind of Shahram Ketabchi. Proceed.
16 The others are admitted without a limiting instruction.

17 (Government's Exhibits 219, 233, 1206, 1209 and 1211
18 received in evidence)

19 BY MR. SOBELMAN:

20 Q. Please pull up Government Exhibit 1009. What is the date
21 on these text message?

22 A. October 15, 2015.

23 Q. Read them the same way. You can be outgoing, Shahram
24 Ketabchi, and I will be incoming, which is Arash Ketabchi.

25 A. I can tell Andrew is happy. He made sales from his texts.

IATJKET2

Giattino - direct

1 Q. Oh, yeah, he is pumped. Whahoo. I just spoke. They hold
2 our money, these merchant accounts can get financed. We have
3 contracts so we are good.

4 A. Yeah, they can. Let's.

5 Q. Ms. Lee, please pull up Government Exhibit 219. Please
6 zoom in on the left-hand side.

7 What is the business name listed on the shipment from?

8 A. Al Business Consultants.

9 Q. And what name is listed under extremely urgent delivery to?

10 A. Charlene Foster.

11 Q. What is the address given for Ms. Foster?

12 A. Wildwood, Florida.

13 Q. On the bottom-right-hand corner, what is the date of
14 shipment provided?

15 A. October 16th, 2015.

16 Q. Ms. Lee, please pull up Government Exhibit 1209. This
17 document is in reverse chronological order so let's start at
18 the end. Sorry. The last page of the document. There are
19 multiple people so I am not sure if it is going to work for us
20 to each take a part.

21 MR. SOBELMAN: It is quite lengthy, your Honor. Would
22 you prefer that Special Agent Giattino read it or would you
23 like me to pause for the jury to read it? It is about five
24 pages long, although the type is very large.

25 THE COURT: The jury will have it available during its

IATJKET2

Giattino - direct

1 deliberation. Simply move on.

2 MR. SOBELMAN: There are a couple of messages I will
3 highlight.

4 THE COURT: Yes.

5 BY MR. SOBELMAN:

6 Q. If you could read on the last page the very top message
7 along with the date of the message.

8 A. October 16th, 2015. 3:56 pm from Melissa S. Skype sent.
9 Any other numbers for Charlene Foster. I tried calling
10 325-399-2798 earlier and only got a busy signal and I tried
11 again now and got the same thing.

12 Q. Let's go to the page right before that. If you could
13 please zoom in on the top half.

14 Special Agent Giattino, please read the third message
15 on the monitor.

16 A. October 19, 2015, Michelle Lee, follow-up call out. 2810
17 Charlene Foster, 325-399-2798, Michelle Lee, 7:38 am zero
18 minutes ago to Brian. On her account listed in the file notes
19 it says laptop. Are we supposed to send her a laptop? Also
20 her number rings busy and hangs up.

21 THE COURT: Let's move on. You can cite to anything
22 in your summation, sir. This is in evidence.

23 MR. SOBELMAN: Yes, your Honor.

24 BY MR. SOBELMAN:

25 Q. Ms. Lee, please pull up Government Exhibit 1211.

IATJKET2

Giattino - direct

1 Special Agent Giattino, would you please read the name
2 of and business at the top left.

3 A. Tiger direct dot com.

4 Q. Could you please read the name after, "Dear."

5 A. Charlene Foster.

6 Q. At the bottom of the page, the order date?

7 A. November 6th, 2015.

8 Q. And what company is being billed?

9 A. A1 Business Consultants, LLC.

10 Q. Who is it being shipped to?

11 A. Charlene Foster.

12 Q. Ms. Lee, please pull up Government Exhibit 1206. Zoom in
13 on the top half of the page.

14 What is the date on this document?

15 A. November 9th, 2015.

16 Q. What business is it addressed to?

17 A. A1 Business Consultants, LLC.

18 Q. Please read the sentence starting, "This is a
19 notification."

20 A. "This is a notification on a first charge-back initiated by
21 the issuing bank."

22 Q. What is listed next to reason?

23 A. "Nonreceipt of goods or services."

24 Q. Please read the next sentence.

25 A. Your account has been debited by the adjustment amount

IATJKET2

Giattino - direct

1 because -- and the merchandise/services not received.

2 Q. What is the amount under transaction amount?

3 A. \$14,999.00.

4 Q. What is the date listed next to transaction date?

5 A. October 19th, 2015.

6 Q. And who is listed as the contact person on the bottom of
7 the paragraph?

8 A. Steve Ketabchi.

9 Q. What is the telephone number listed for him?

10 A. 949-244-8588.

11 Q. Ms. Lee, please put up next to this with the zoom-in on the
12 bottom of that still Government Exhibit 302. Please go to
13 the -- I am sorry -- never mind. Forget that. Let's just move
14 on.

15 If you could put up Government Exhibit 233. If you
16 can go to Page 14, please. Zoom in on the top half. Special
17 Agent Giattino, what is the date on this document?

18 A. November 12th, 2015.

19 Q. What is the name of the business addressed to?

20 A. A1 Business Consultants, LLC.

21 Q. Would you please read the sentence starting, "This is a
22 notification."

23 A. "This is a notification of a first charge-back initiated by
24 the issuing bank, Capital One Bank USA National Association."

25 Q. What is listed next to reason?

IATJKET2

Giattino - direct

1 A. "Cardholder dispute."

2 Q. Please read the next sentence as well.

3 A. Your account has been debited by the adjustment amount
4 because cardholder disputes quality/mischaracterization of
5 services/merchandise.

6 Q. What is under transaction amount?

7 A. \$5,000.00.

8 Q. What is the transaction date?

9 A. October 19th, 2015.

10 Q. This is where I wanted the reference Government Exhibit
11 302. Please put up the second page of that next to this
12 document. If you can zoom in on Paragraph 6 and then also zoom
13 in on the bottom of the other exhibit.

14 Special Agent Giattino, would you please read
15 Paragraph 6 in the stipulation.

16 A. "From at least January 1, 2015 until at least March 21,
17 2017, Shahram Ketabchi used the Cell Phone No. 949-244-8588."

18 Q. Can you please compare that number with the number listed
19 under Steve Ketabchi --

20 THE COURT: It's the same, right?

21 THE WITNESS: Yes.

22 THE COURT: Move on.

23 MR. SOBELMAN: The government offers Government
24 Exhibit 206 A, 206 B, 234 A through F, 428, 429 and 513. The
25 200 series exhibits will be subject to your Honor's limiting

IATJKET2

Giattino - direct

1 instruction.

2 THE COURT: Yes, ladies and gentlemen, all of those
3 are admitted, but the 200 series are admitted solely for the
4 state of mind of Steve Ketabchi.

5 (Government's Exhibits 206A, 206B, 234A through F,
6 428, 429 and 513 received in evidence)

7 BY MR. SOBELMAN:

8 Q. Please bring up Government Exhibit 234B, Ms Lee. Please
9 zoom in on the top half.

10 Special Agent Giattino, what is the title of this
11 document?

12 A. "Product and services agreement with A1 Business
13 Consultants."

14 Q. Can you please read the date on that document.

15 A. June 18th, 2015.

16 Q. Whose individual's name is mentioned in this paragraph?

17 A. Joe Freeland.

18 Q. What is the amount listed under product services?

19 A. \$5,995.00.

20 Q. Pause for a moment to let the jury read the paragraph
21 underneath that. (Pause)

22 THE COURT: Next question.

23 BY MR. SOBELMAN:

24 Q. Please go to Page 2, Ms. Lee. If you can zoom in on the
25 second paragraph.

IATJKET2

Giattino - direct

1 Special Agent Giattino, could you please read the last
2 sentence in this paragraph.

3 A. "Client is guaranteed a check within the first 90 days of
4 activation."

5 Q. Ms. Lee, please go to the last page, the third page. Zoom
6 in on the bottom. Special Agent Giattino, what amount is
7 listed here?

8 A. \$5,995.00.

9 Q. What date?

10 A. June 18th, 2015.

11 Q. Ms. Lee, can you please put up 234 E.

12 Special Agent Giattino, what is the date on this
13 document?

14 A. October 23rd, 2015.

15 Q. Who is it addressed to?

16 A. A1 Business Consultants, LLC.

17 Q. Please read what is on the post-it note on the top left?

18 A. "Received, 11-4-1 marketing campaign; two, website
19 advertisement."

20 Q. This 200 series, these are hard-copy documents your team
21 found in Shahram Ketabchi's apartment?

22 A. Yes.

23 Q. Under "charge-back amount," what is listed?

24 A. \$5,995.00.

25 Q. And transaction date?

IATJKET2

Giattino - direct

1 A. June 24th, 2015.

2 Q. And whose name is listed at the bottom of the page under
3 contact person?

4 A. Steve Ketabchi.

5 Q. Ms. Lee, please put up Government Exhibit 513. Please zoom
6 in on email in the middle of the page. Special Agent Giattino,
7 what is the date on email?

8 A. October 26, 2015.

9 Q. What is subject line?

10 A. Urgent, fulfillment DOCCS for charge-back.

11 Q. Who is it from?

12 A. Positive faith at Gmail dot com.

13 Q. Who is to?

14 A. Info at All Online Systems dot com and Ray Q at --

15 Q. Who is on the CC?

16 A. Ketabchi dot Arash at Gmail dot com.

17 Q. Please read the email.

18 A. Hi, Ray. I hope you had a great weekend. We received some
19 Charge-backs last Friday and I need the fulfillment
20 documentation for. One, Jeanette Waldrup; two, Joe Freeland.

21 Q. Who is it signed by?

22 A. Steve.

23 Q. Ms. Lee, please put up 234 D.

24 THE COURT: How many more of these do you have, sir,
25 because they seem to be a bit repetitive.

IATJKET2

Giattino - direct

1 MR. SOBELMAN: May I consult with counsel for one
2 moment?

3 THE COURT: Yes.

4 (Off-the-record discussion)

5 THE COURT: The jury can refer to all of these to the
6 extent they're admitted in summations.

7 MR. SOBELMAN: Your Honor, this is a good time for a
8 short morning break. We can consult and try to slim down the
9 presentation even further.

10 THE COURT: If that is the reason for the break, most
11 assuredly. 10 minutes, ladies and gentlemen.

12 MR. SOBELMAN: Thank your Honor.

13 (Jury excused)

14 THE COURT: Let's make it 15 minutes.

15 (Recess)

16 MR. SOBELMAN: Your Honor, we have approximately 22 or
17 25 documents we have left. I slimmed it down to about 8 or 9.

18 MR. PAUL: Your Honor, I want to alert the court that
19 we sent to --

20 THE COURT: Let's put this on the record.

21 MR. PAUL: -- we sent to the paralegal last evening
22 the number of exhibits that we needed to be authenticated, and
23 we have been told this morning that for some reason not in our
24 control, that the paralegal did not receive the exhibits that
25 we intended to introduce and for them to authenticate so,

IATJKET2

Giattino - direct

1 unfortunately, there may be a delay in these proceedings
2 because I think the government is now -- we turned them over
3 without even asking the paralegal, we don't care if they know
4 what our cross is going to be. We bypassed that because of the
5 problem with them getting the email last night, and they're now
6 looking through to authenticate the various documents.

7 THE COURT: It sounds like we are moving forward.
8 Bring the jury in.

9 MR. SOBELMAN: Ms. Kearney will be absent in order to
10 facilitate that process.

11 THE COURT: Bring the jury in.

12 (Continued on next page)

IAT8KET3

Giattino - Direct

1 (Jury present)

2 THE COURT: Please be seated in the courtroom.

3 You may continue.

4 MR. SOBELMAN: Ms. Lee, can you please pull up
5 Government Exhibit 206B. It's in evidence.

6 Your Honor, this document is a little difficult to
7 read on the screen. If you would permit Special Agent Giattino
8 to read it. We only have about eight or nine documents left.

9 THE COURT: Why is it hard to read on the screen?

10 MR. SOBELMAN: It's hard for me to read it, but if
11 your Honor can read it, perhaps the jury can read it as well.

12 THE COURT: Your paralegal should blow it up in
13 portions. I don't want to spend a great deal of time with
14 things being read when they are admitted, and you can summarize
15 them or say whatever you like about them on summation.

16 Jury, you can read this.

17 All right. Next section.

18 Next section after paragraph 4.

19 Are we going to too fast, ladies and gentlemen? I'm a
20 pretty slow reader.

21 THE JURY: It's fine.

22 THE COURT: Next section.

23 Next.

24 MR. SOBELMAN: The government offers Government
25 Exhibits 220, 450 and 1126. And 220 and 1126 would be pursuant

IAT8KET3

Giattino - Direct

1 to your Honor's limiting instruction.

2 THE COURT: Again, ladies and gentlemen, you know it
3 by now.

4 (Government's Exhibits 220, 450 and 1126 received in
5 evidence)

6 THE COURT: Next question.

7 MR. SOBELMAN: Please display Government Exhibit 1126.

8 Your Honor, I do think it is genuinely difficult to
9 read it, if Special Agent Giattino could be provided the
10 opportunity to read it.

11 THE COURT: Yes.

12 A. "Elizabeth. I have the records of most of the contacts
13 names of companies, their phone number, and some personal cell
14 phone numbers. I have sent \$11,000 and the \$180 for state
15 license. Now they want a total of \$22,500 for more licenses
16 and more contacts. I have told them no more money until I get
17 contracts before I send them any more money. Also went to my
18 bank, closed all of my personal banking and credit cards so
19 they have no access to my accounts. Let me know how things
20 stand. Send me the complaint form."

21 Q. Who is it signed by?

22 A. Chris Klevjord.

23 Q. What is the date on this document?

24 A. January 11, 2016.

25 MR. SOBELMAN: Ms. Lee, please display Government

IAT8KET3

Giattino - Direct

1 Exhibit 220.

2 Please zoom in.

3 Q. What is the date on this document?

4 A. February 22, 2016.

5 MR. SOBELMAN: Ms. Lee, if you could just go up.

6 Q. What organization is on the letterhead?

7 A. A1 -- the letterhead is County of Passaic, Department of
8 Public Safety.

9 Q. What is the subject line next to "consumer"?

10 A. Chris Klevjord.

11 Q. Can you just read the first two sentences of the letter?

12 A. "Dear merchant. This office is in the receipt of a
13 complaint filed against you from the above consumer. Please be
14 advised that this office investigates cases evidencing fraud,
15 deceit or misrepresentation with respect to sales and
16 advertisements for the sale of merchandise between consumer and
17 a merchant."

18 Q. Who is it signed by?

19 A. Elizabeth Andiorio, investigator.

20 MR. SOBELMAN: Ms. Lee, can you put up Government
21 Exhibit 450, and zoom in on the e-mail on the bottom of the
22 page.

23 Q. What is the date of this e-mail?

24 A. March 2, 2016.

25 Q. Who is it sent by?

IAT8KET3

Giattino - Direct

1 A. Steve@albusinessconsultants.com.

2 Q. Please read it.

3 A. "Hi Ray. Can you please send me the complete PDF for Chris
4 Klevjord 911. Thank you and have an amazing day. Best of
5 records, Steve K."

6 MR. SOBELMAN: The government offers Government
7 Exhibit 442.

8 THE COURT: Admitted without objection.

9 (Government's Exhibit 442 received in evidence)

10 MR. SOBELMAN: Ms. Lee, can you please put up Exhibit
11 442, and zoom in on the e-mail in the middle.

12 Q. What is the date on this e-mail?

13 A. December 15, 2015.

14 Q. What the subject line?

15 A. James A. Cooper.

16 Q. Who is it from?

17 A. Lilly@albusinessconsultants.com.

18 Q. Who is it to?

19 A. Rayq@ymail.com; steve@lAbusinessconsultants.com;
20 alcustomerservicedepartment@gmail.com;
21 info@allonlinesystems.com; cs@allonlinesystems.com.

22 Q. Did this e-mail have an attachment?

23 A. Yes.

24 Q. Can you please read the first sentence?

25 A. "New client signs through fax."

IAT8KET3

Giattino - Direct

1 Q. What is the name of the client?

2 A. James A. Cooper.

3 Q. What are the services listed next to services colon?

4 A. Corp/LLC setup, corp credit, business plan, tax prep, tax
5 plan, bookkeeping.

6 Q. What is the amount listed?

7 A. \$49,999.

8 Q. Who is the sales rep?

9 A. Jonathan Stewart.

10 MR. SOBELMAN: The government offers Government
11 Exhibit 238 and 242.

12 THE COURT: Those are admitted for the limited purpose
13 of the state of mind of Steven or Shahram Ketabchi.

14 (Government's Exhibits 238 and 242 received in
15 evidence)

16 MR. SOBELMAN: Ms. Lee, please put up Government
17 Exhibit 242. If you could zoom in on the top part first.

18 Q. Special Agent Giattino, what does it indicate after, "Did
19 the cardholder attempt to resolve with the merchant?"

20 A. "Yes."

21 Q. What is the date of the most recent contact?

22 A. It looks like July 8, 2016.

23 Q. What is the name of the contact?

24 A. Customer service.

25 Q. And the method?

IAT8KET3

Giattino - Direct

1 A. Phone.

2 Q. What does it say under merchant's response?

3 A. "No one available, reached voice mail."

4 MR. SOBELMAN: Ms. Lee, could you please zoom in on
5 the part under "comments."

6 I am just going to pause for the jury to read that.

7 THE COURT: All right. Proceed.

8 MR. SOBELMAN: Ms. Lee, could you please put up
9 Government Exhibit 238, page 4.

10 If you could please zoom in on the top half.

11 Q. Special Agent Giattino, what is on the letterhead of this
12 document?

13 THE COURT: Same thing. County of Passaic.

14 Next.

15 Q. Who is the consumer that is listed?

16 A. Kaylene Zahn.

17 Q. Are the first two sentences of this letter the same as a
18 similar letter we saw with respect to Chris Klevjord?

19 A. Yes.

20 Q. Is it signed by the same investigator?

21 A. Yes.

22 Q. What is the date on this one?

23 A. December 4, 2015.

24 MR. SOBELMAN: Could we please go to page 1 of this
25 document. Zoom in on the top half.

IAT8KET3

Giattino - Direct

1 Q. What is on the letterhead?

2 A. New Jersey Office of the Attorney General, Division of
3 Consumer Affairs.

4 Q. What is the name listed under "complaint reported by"?

5 A. Kaylene Zahn.

6 Q. What city and state?

7 A. Hutchinson, Kansas.

8 Q. What is the business listed on the right-hand side under
9 "complaint reported against"?

10 A. A1 Business Consultants.

11 MR. SOBELMAN: Ms. Lee, could we zoom in on the bottom
12 half of the page.

13 Q. Next to "statistical and informational purposes only," what
14 range is indicated?

15 A. 60 or older.

16 Q. Under "the other," under number 1, nature of the complaint,
17 what is listed?

18 A. "At home business opportunity."

19 Q. Let's take a look at page 2.

20 MR. SOBELMAN: Please zoom in on the top half.

21 I will pause so the jury can read it.

22 THE COURT: Move on.

23 MR. SOBELMAN: Ms. Lee, could you please zoom in on
24 the bottom half of the page.

25 Q. Special Agent Giattino, what amount is listed next to the

IAT8KET3

Giattino - Direct

1 amount of loss involved in this complaint?

2 A. \$7,000.

3 Q. Can you please just read the sentence that's written there?

4 A. "\$7,000 for a Web site for a person with no Internet."

5 Q. Who is it signed by?

6 A. Kaylene Zahn.

7 Q. What is the date?

8 A. October 30, 2015.

9 MR. SOBELMAN: The government offers Government
10 Exhibits 218 and 1308, both of which will be subject to the
11 Court's limiting instruction.

12 THE COURT: They are only for state of mind of the
13 defendant Ketabchi.

14 (Government's Exhibits 218 and 1308 received in
15 evidence)

16 MR. SOBELMAN: Ms. Lee, please put up Government
17 Exhibit 218.

18 Could you please zoom in on the very top.

19 Q. What is the title of this document?

20 A. "Registration of alternate name."

21 MR. SOBELMAN: Ms. Lee, could you please zoom in on
22 the middle.

23 Q. What is the name of the corporation listed here?

24 A. A1 Business Consultants.

25 Q. What is the date of incorporation?

IAT8KET3

Giattino - Direct

1 A. April 25, 2014.

2 Q. And what is the alternate name to be used?

3 A. Elevated Business Services.

4 MR. SOBELMAN: Ms. Lee, could you please show
5 Government Exhibit 1309. And zoom in on the top half.

6 Q. What kind of document is this?

7 A. This is a bank account statement.

8 Q. From what bank?

9 A. Wells Fargo.

10 Q. What is the date range on the top?

11 A. January 29, 2016 through February 5, 2016.

12 Q. What business is it addressed to?

13 A. Elevated Business Consultants.

14 MR. SOBELMAN: The government offers Government
15 Exhibits 214 and 215, also subject to the same limiting
16 instruction.

17 THE COURT: Only for the purposes of the state of mind
18 of defendant Ketabchi.

19 (Government's Exhibits 214 and 215 received in
20 evidence)

21 MR. SOBELMAN: Ms. Lee, please put up Government
22 Exhibit 214, page 2. If you can zoom in on the top half.

23 Q. Special Agent Giattino, what is the date on this document?

24 A. May 27, 2016.

25 Q. And on the top left, who is it addressed to?

IAT8KET3

Giattino - Direct

1 A. Danielle Owimrin.

2 Q. Special Agent Giattino, can you please read the first
3 sentence after "Dear Danielle Owimrin"?

4 A. "Thanks for applying for a Capital One credit card."

5 Q. The whole paragraph.

6 A. "We're working on your application, and just need to finish
7 some paperwork. We have not yet heard from you in response to
8 our previous request."

9 Q. Please read the next sentence as well.

10 A. "We'll be one step closer to a decision if you can verify
11 the following info within 20 days of the date of this letter."

12 Q. What is listed underneath that?

13 A. "Annual income for Danielle Owimrin."

14 Q. Just read the next sentence that starts "check."

15 THE COURT: It's not up.

16 A. "Check the back of this letter to see the types of
17 documents you could use for this."

18 MR. SOBELMAN: Ms. Lee, let's go to next page.

19 If you could zoom in on the section that says "total
20 annual income."

21 Q. Special Agent Giattino, if you could just read what is
22 after the first bullet there.

23 A. "Tax return documents (W-2, Form 1040 and/or Form 1099)
24 from the most recent tax year."

25 Q. Then please also read the third bullet.

IAT8KET3

Giattino - Direct

1 A. "Letter of employment issued and signed by your employer
2 within the last three months."

3 MR. SOBELMAN: Ms. Lee, can you go to the first page
4 of this document.

5 The first page, please. If you can zoom in.

6 Q. Special Agent Giattino, what date is on this document?

7 A. June 12, 2016.

8 Q. And what is the subject line?

9 A. "Danielle Owimrin credit card application document."

10 Q. Can you please read the one sentence after "Dear Capital
11 One." I'm sorry, two sentences.

12 A. "This letter is to confirm that Danielle Owimrin is a
13 salaried executive at Dash's Salon LLC. She has been working
14 for our company for two years and one month and her annual base
15 salary is \$280,000."

16 Q. Approximately two years before this would be when?

17 A. 2014.

18 Q. Let's take a look at Government Exhibit 215, second page.

19 Take a look at the top half.

20 What kind of document is this?

21 A. This is an IRS tax document. It's a Form 8879.

22 Q. Whose name is after taxpayer's name?

23 A. Danielle E. Owimrin.

24 Q. What year is this for?

25 A. Tax year 2014.

IAT8KET3

Giattino - Direct

1 Q. What is the number listed next to adjusted gross income?

2 A. \$19,748.

3 Q. What is the date of the signature on this document, just
4 down a little further?

5 A. May 26, 2016.

6 Q. Just to be clear, this document, 215, and the prior one,
7 214, they were both hard-copy documents that your team found in
8 Shahram Ketabchi's apartment?

9 A. Yes.

10 MR. SOBELMAN: At this time, I have a list of
11 additional documents we would like to offer but not show
12 Special Agent Giattino, and otherwise his direct testimony is
13 completed. Shall I read this list at this time?

14 THE COURT: Yes.

15 MR. SOBELMAN: The government offers Government 202,
16 203, 205, 207, 208, 212, 213, 217, 221, 222, 223, 224, 225,
17 232, 235, 236, 237, 244, 402, 405, 410, 417, 420, 423, 424,
18 435, 437, 440, 447, 448, 449, 453, 454, 555, 456, 458, 462,
19 463, 464, 510, 511, 516, 1003, 1004, 1005, 1006, 1008, 1010,
20 1012, 1015, 1016, 1019, 1020, 1101, 1102, 1103, 1104, 1105,
21 1112, 1115, 1116, 1117, 1118, 1131, 1134, 1135, 1136, 1142,
22 1202, 1205, 1207, 1208, 1210, 1214, 1215, 1216, 1217, 1218,
23 1219, 1220, 1310, 1311, 1312, 1314, 1315, 1316, 1317, 1318,
24 1319, 1320, 1321, 1322, 1327, and 1331.

25 THE COURT: Ladies and gentlemen, those documents are

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Giattino - Cross

1 admitted. And the documents in the 200 series, 1100 series,
2 1200 series, and 1300 series are admitted solely for the very
3 limited purpose of the state of mind of Shahram Ketabchi. They
4 are not admitted for the truth of what is set forth in those
5 documents.

6 (Government's Exhibits 202, 203, 205, 207, 208, 212,
7 213, 217, 221, 222, 223, 224, 225, 232, 235, 236, 237, 244,
8 402, 405, 410, 417, 420, 423, 424, 435, 437, 440, 447, 448,
9 449, 453, 454, 555, 456, 458, 462, 463, 464, 510, 511, 516,
10 1003, 1004, 1005, 1006, 1008, 1010, 1012, 1015, 1016, 1019,
11 1020, 1101, 1102, 1103, 1104, 1105, 1112, 1115, 1116, 1117,
12 1118, 1131, 1134, 1135, 1136, 1142, 1202, 1205, 1207, 1208,
13 1210, 1214, 1215, 1216, 1217, 1218, 1219, 1220, 1310, 1311,
14 1312, 1314, 1315, 1316, 1317, 1318, 1319, 1320, 1321, 1322,
15 1327, and 1331 received in evidence)

16 THE COURT: Does this conclude your direct?

17 MR. SOBELMAN: Yes, your Honor. No further questions.

18 THE COURT: Are there any defense questions for this
19 witness?

20 MR. PAUL: Yes, your Honor.

21 THE COURT: Mr. Paul on behalf of Shahram Ketabchi.

22 CROSS-EXAMINATION

23 BY MR. PAUL:

24 Q. Good morning, Agent Giattino.

25 A. Good morning.

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Giattino - Cross

1 Q. Let's go back to your testimony with regard to March 21,
2 2017.

3 That's the date that you, along with other agents and
4 law enforcement, arrived at my client's address, is that right?

5 A. Yes.

6 Q. I think you told us this was approximately 6:00 in the
7 morning?

8 A. Yes.

9 Q. Were you in uniform?

10 A. We don't have a uniform, but I was wearing clothing
11 indicating that we are police.

12 Q. Does this clothing have police across the front of it or is
13 it just a badge that you wear around your neck?

14 A. I have to remember what I was wearing that day. I can't
15 remember exactly what I was wearing.

16 Q. How many other law enforcement individuals were with you
17 that day?

18 A. I'd have to refresh my memory from the report, but there
19 were, I would say, approximately eight people.

20 Q. What report would be able to refresh your recollection?

21 A. There was an investigative report documenting, you know,
22 the search warrant that occurred on that day.

23 Q. Let me show you what has been previously marked as 3507-06
24 and ask you if this is the report you are referring to.

25 A. Yes.

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Giattino - Cross

1 Q. By looking at that document, are you able to tell us how
2 many law enforcement individuals were with you that morning?

3 THE COURT: The question is simply whether or not it
4 refreshes your recollection.

5 THE WITNESS: Yes.

6 Q. It does?

7 A. If I read it, yes, it will refresh.

8 I am going to count in my head here. Eight people.

9 Q. So eight individuals, including yourself, arrived at my
10 client's door at approximately 6:00 in the morning, is that
11 right?

12 A. Yes.

13 Q. And you told us that you proceeded to knock on the door and
14 identify yourself as police, correct?

15 A. Yes.

16 Q. At some point, because you didn't have a response, you
17 forcibly entered the apartment, is that right?

18 A. Yes, the team.

19 Q. Describe what you say forcibly entered the apartment.

20 A. We used a -- you know, kind of like a big hammer to open
21 the door, essentially.

22 Q. A big what?

23 A. Hammer.

24 Q. Hammer?

25 A. Yes.

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Giattino - Cross

1 Q. Hand hammer?

2 A. It's kind of like a ram I guess is what you would call it.

3 Q. A battering ram type of thing?

4 A. Yes.

5 Q. So you knocked on the door and knocked the door down, is
6 that right?

7 A. Yes. Well, I personally didn't, but a member of the team
8 did.

9 Q. You say that you do this when there is no response for a
10 number of reasons, right?

11 You told us for safety purposes?

12 A. Yes, that's one.

13 Q. As well as you want to make sure that no possible evidence
14 inside that location could be destroyed, right?

15 A. That would be another reason, yes.

16 Q. And you said you entered the apartment and you did a
17 protective sweep, right?

18 A. Yes.

19 Q. And you identified yourself to -- you finally saw Mr.
20 Ketabchi, correct?

21 A. Yes.

22 Q. And when you first saw him, was he in sleepwear?

23 A. I can't remember what he was wearing, but it was early in
24 the morning so it's possible.

25 Q. Did you not tell him when you came in, after you identified

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Giattino - Cross

1 yourself, that you were doing a search regarding his brother's
2 business, in relation to Arash Ketabchi's business?

3 A. Yes.

4 Q. So that's one of the first things you told him, right?

5 A. I think that's right, yes. Yeah, that's correct.

6 Q. Then you handed him the warrant, I believe, because he
7 wanted to see it, or I assume you just wanted to show it to
8 him?

9 A. Yeah. I gave him a copy of the warrant.

10 Q. So let me understand the sequence of events. You come in,
11 you battered down the door, bashed down the door, 6:00 in the
12 morning, Mr. Ketabchi is standing there. And where did you
13 fist see him when you first confronted him?

14 A. I saw him in the living room or in that sort of immediate
15 area after entering, but I wasn't the first person in, so I
16 don't know where exactly he was when members of the team
17 entered.

18 Q. So at some point, at least almost immediately, you tell him
19 that you're there to conduct a search regarding Arash
20 Ketabchi's business, is that right?

21 A. Yes. Though I don't think that was the first sentence out
22 of my mouth. It was just we have a search warrant.

23 Q. We have a search warrant?

24 A. And I'm pretty sure what happened next is I gave him a copy
25 of the warrant because, if I remember correctly, he was

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Giattino - Cross

1 basically saying, what's this about?

2 Q. And you said we are doing a search with regard to your
3 brother's business?

4 A. Yeah, and some of his associates.

5 Q. At that point, or shortly thereafter, he told you, I don't
6 have anything to do with my brother's business, for the most
7 part, I have my own business and I drive an Uber, is that fair?

8 A. Yes.

9 Q. Did you handcuff him?

10 A. I don't remember handcuffing him.

11 Q. Wouldn't it be accurate, sir, that in fact you and/or your
12 team handcuffed him and marched him outside while you conducted
13 either your protective sweep or the beginning of your search?

14 A. I personally can't remember that because I don't think
15 I -- again, I was not the first person in. It's very possible
16 that he was handcuffed. That's something we might do because,
17 again, we have to make sure that we are in control of the place
18 where we have the court authorization to search. So it is very
19 possible that he would have been handcuffed, but I just can't
20 remember.

21 Q. Did he put up any physical restraint in trying to stop you
22 and your team?

23 A. I don't remember him being physical.

24 Q. You told us he was agitated, right?

25 A. Yes.

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Giattino - Cross

1 Q. And this was 6:00 in the morning, perhaps at a moment you
2 had just woken him up by bashing down his door, right?

3 A. I'm sorry. What's the question?

4 Q. This was 6:00 in the morning. You told us he was agitated,
5 right.

6 A. Yes.

7 Q. And perhaps this was right after you had bashed down his
8 door and woken him up, is that not fair?

9 A. Yes. We encountered him after we entered the apartment,
10 yeah.

11 Q. So you believe he was handcuffed because that might be the
12 normal procedure, and it's also possible you took him outside
13 of the apartment itself as you conducted your search, or at
14 least initially, is that right?

15 A. Again, I can't recall exactly, but it's possible, yes.

16 Q. So it's possible he was handcuffed standing outside, you
17 and your team are conducting a search inside, and eventually he
18 gets brought back into the apartment I assume, is that fair?

19 A. Yes.

20 Q. And at some point he is sitting on the couch and he is
21 looking through the search warrant that you had handed him, is
22 that right?

23 A. Yes.

24 Q. And you didn't have an arrest warrant for him, did you?

25 A. No.

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Giattino - Cross

1 Q. He wasn't under arrest at all, was he?

2 A. No.

3 Q. And the warrant you had listed a number of individuals who
4 were being arrested that day, right?

5 MR. SOBELMAN: Objection.

6 THE COURT: I will allow him to answer if he knows the
7 answer.

8 A. I do know that at least one person listed on the warrant
9 had been arrested, or was going to be arrested.

10 Q. Well, the warrant itself, I think you handed him the
11 attachments that came with the warrant, right?

12 A. Yes.

13 Q. And he is sitting on the couch looking through this at some
14 point, right?

15 A. Yes.

16 Q. And attachment B talks about items to be seized in relation
17 to financial crimes, correct?

18 A. Yes.

19 Q. Included in those financial crimes were persons, entities,
20 and properties, including Arash Ketabchi, Andrew Owimrin,
21 William Sinclair, Michael Finocchiaro, Ariele Peralta, and
22 Joseph McGowan, right?

23 A. That sounds right.

24 Q. His name was not on that, meaning Steven Ketabchi's name
25 was not on there?

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Giattino - Cross

1 A. Correct.

2 Q. Now, were you armed that morning?

3 A. Yes.

4 Q. With a gun, I assume?

5 A. Yes.

6 Q. Were your fellow law enforcement officers and/or agents
7 also armed?

8 A. Yes.

9 Q. When you and your fellow agents entered the apartment, did
10 you have your guns drawn?

11 A. I did not have mine drawn.

12 Q. Did you notice if your brother agents had theirs drawn?

13 A. I can't remember.

14 Q. Do you recall if in fact they entered with guns drawn
15 pointing at Mr. Ketabchi.

16 MR. SOBELMAN: Objection. Asked and answered.

17 THE COURT: I will allow it.

18 Do you remember that?

19 THE WITNESS: No.

20 Q. You talked about normal procedure. Would that have been
21 the normal procedure to be entering a place that you had just
22 bashed down a door with guns drawn?

23 A. There is not necessarily a written procedure dictating
24 whether you have your weapon drawn or not. It's really up to
25 the law enforcement officer and his comfort level.

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Giattino - Cross

1 Q. So your comfort level, I assume, was fine because you
2 didn't have a gun drawn, right?

3 A. I was at the back of the line so --

4 Q. So there were 14 -- seven or so fellow agents ahead of you?

5 A. Yes.

6 Q. So you couldn't tell if those in the front coming through
7 the door had their guns drawn, is that fair?

8 A. That's right.

9 Q. So you can't testify whether someone had their gun drawn
10 and was pointing at Mr. Ketabchi as well, right?

11 A. Right. I didn't see that.

12 Q. Now, you testified that -- I believe it was Exhibit 427.

13 MR. PAUL: Could we have that shown to the witness,
14 please.

15 My mistake. I will get back to that.

16 Exhibit 807 -- 806. My mistake. 806.

17 Q. Now, this was an exhibit you testified, it's in evidence,
18 and this were a number of documents that you described as --

19 MR. PAUL: Could we show 807 now?

20 Q. These were a number of documents that you pulled out from
21 Mr. Ketabchi or a desk or whatever that was located in that
22 apartment, is that right?

23 A. Yes.

24 Q. And I think you described these as chargeback documents,
25 right?

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Giattino - Cross

1 A. Yes.

2 Q. And this is the format of a chargeback where a merchant has
3 reached out claiming that a complaint has been filed, or a
4 chargeback request has been made, is that right?

5 MR. SOBELMAN: Objection. Foundation.

6 MR. PAUL: I will withdraw it, Judge.

7 Q. You're the investigator in this case, right, one of them?

8 A. No. I had the limited role of going to California for this
9 search warrant.

10 Q. But you're familiar with the facts and circumstances
11 surrounding this investigation, are you not?

12 A. Yes.

13 Q. You have reviewed some of the documents that have been
14 introduced, I think you have testified to many?

15 A. Yes.

16 Q. So many I couldn't keep up with them as the government was
17 reading them.

18 THE COURT: The jury will disregard the comments of
19 the lawyer, of any lawyer.

20 Q. You have testified that you have reviewed many documents
21 with regard to this case, is that right?

22 A. Yes.

23 Q. And what appears in 807 is a form, is it not, where a
24 merchant has reached out to the party where a sale has been
25 made and the customer is complaining, is that correct?

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Giattino - Cross

1 MR. SOBELMAN: Objection. Foundation.

2 Simply because the agent has seen the document doesn't
3 mean --

4 THE COURT: Just a moment.

5 Do you know if it's a form?

6 THE WITNESS: Yeah. I mean, I would call it a
7 notification.

8 THE COURT: All right.

9 Q. So you would say you have seen this kind of document many
10 times in this case, right?

11 A. Yes.

12 Q. And as you said, it's like a form that the merchant reaches
13 out to the party that made the sale because there has been a
14 complaint filed, is that right?

15 A. Yes.

16 Q. By the way, you said that one of the reasons you go into a
17 location where you're conducting a search after the party has
18 not responded is to avoid destruction of evidence, potential
19 evidence, right?

20 A. Yes.

21 Q. Did you see any proof of any attempt of documents being
22 ripped up or destroyed?

23 A. I didn't see that.

24 Q. Did you find any kind of shredding machine in the
25 apartment?

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Giattino - Cross

1 A. I don't remember seeing a shedder.

2 Q. So it would be fair to say, would it not, agent, you found
3 no evidence of any destruction of any documents when you
4 entered that apartment, right?

5 MR. SOBELMAN: Objection. Asked and answered.

6 THE COURT: I will allow it.

7 A. I didn't see evidence of that, no.

8 Q. Are you aware, in the course of your investigation of this
9 case, that Al Business had closed down six months prior to this
10 search?

11 THE COURT: Do you know whether or not that's true?

12 THE WITNESS: I don't.

13 THE COURT: Next.

14 Q. Now, you said that -- in fact, we saw a picture, I believe,
15 in the bedroom of a safe, is that right?

16 A. Yes.

17 Q. Inside of that safe I think you said you recovered hard
18 drives, is that right?

19 A. Yes.

20 Q. These were what, external hard drives that one could use as
21 a backup to any computer?

22 A. Yes.

23 Q. Standard external hard drive?

24 A. Yes. I have seen their type before.

25 Q. Was there a key to this safe?

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Giattino - Cross

1 A. I can't remember whether it was open or if we obtained a
2 key.

3 Q. Is it possible, agent, that in fact, when you came upon the
4 safe, Mr. Ketabchi gave you the combination to that safe so you
5 could open it?

6 THE COURT: Sustained as to form.

7 Do you know? Did he give you the combination to the
8 safe?

9 THE WITNESS: I can't remember exactly.

10 Q. Certainly you didn't have to forcibly open it, right?

11 A. I personally didn't have to.

12 Q. Do you know if any of your fellow agents did?

13 A. I don't remember getting any sort of outside equipment to
14 open a safe.

15 Q. By the way, were you the first agent to approach Steven
16 Ketabchi or you said there were other agents ahead of you,
17 right?

18 A. There were other agents ahead of me.

19 Q. Did you notice, at least when you came upon him, that he
20 had earplugs in his ears?

21 A. I don't remember.

22 MR. PAUL: Could we show Exhibit 813, please.

23 Q. Now, this is a photograph that you have identified, and
24 it's in evidence, of -- this is in his bedroom, is that right?

25 A. Yes.

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Giattino - Cross

1 Q. This is next to his bed?

2 A. Yes. It's the nightstand next to the bed.

3 Q. And there are three, what look like containers. You see
4 that?

5 A. Yes.

6 Q. And the one on the left, do you know if in fact that is a
7 container to hold earplugs?

8 A. I don't know.

9 Q. The one in the middle, is that a container to hold
10 medication, like Lunesta for sleeping?

11 A. I don't know.

12 Q. The one on the right, did you investigate to see if in fact
13 that was a container for a mouth guard?

14 A. It looks like a mouth guard container.

15 MR. PAUL: You can take that down.

16 Q. Now, how long did this search take, by the way?

17 A. I can't remember exactly how long it took. I'm not sure if
18 it's in the report.

19 Q. Would that report again help you?

20 A. Yes.

21 MR. PAUL: I am showing the witness 3507-06 again.

22 THE COURT: Does that refresh your recollection with
23 regard to how long the search took?

24 THE WITNESS: Not immediately, no.

25 Q. Do you need more time to look?

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Giattino - Cross

1 A. If I may have another moment.

2 Q. Sure.

3 A. I don't think a time is indicated. I'm sorry. I don't
4 know how long it took.

5 Q. Could you estimate?

6 THE COURT: The jury does not want a guess, but if you
7 have an estimate, please give the jury the estimate.

8 A. I would give an estimate based on these types of warrants
9 in the past. Probably, let's say, two hours.

10 Q. And that's so you could remove all the documents and the
11 devices that you were recovering as you proceeded throughout
12 the apartment, is that right?

13 A. Yes.

14 MR. PAUL: If we could pull up Exhibit 236, what has
15 been introduced.

16 Q. Now, again, this is one of those -- I'm sorry. Withdrawn.

17 This is a letter addressed to the merchant and it
18 says, where it's circled -- by the way, did you circle that?

19 A. No.

20 Q. This is how you found the document?

21 A. Yes.

22 Q. This was found on Mr. Ketabchi's computer or a separate
23 item?

24 A. This was a physical item found at the location.

25 Q. And it says, "Thank you for your recent rebuttal to the

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Giattino - Cross

1 chargeback. Unfortunately, we are denying your request because
2 indicated delivery date is prior to the" -- what is CH's, do
3 you know?

4 A. Just in the context, I would say it's cardholder.

5 Q. -- "prior to the cardholder's claimed date of expected
6 receipt/resolve attempt and no proof services were received.
7 No further reversal rights exist."

8 Do you see that?

9 A. Yes.

10 Q. Can we go to the next page of that exhibit.

11 And this is -- it says, "Contact person Steve K."

12 Correct?

13 A. Yes.

14 Q. And it has an 800 number, correct?

15 A. Yes.

16 Q. And it says "check attachment." Is that right?

17 A. Yes.

18 MR. PAUL: And if we can now go to the next page.

19 Q. This is in response to the rebuttal to the chargeback,
20 correct?

21 It says, "Dear Merchant. Thank you for your recent
22 rebuttal to the chargeback."

23 A. Yes.

24 Q. It goes on to say we are denying it, right?

25 A. Yes, I see that there.

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Giattino - Cross

1 MR. PAUL: Can we go to the next page, please.

2 Next page.

3 Q. Now, this has the heading of "A1 Business," correct?

4 A. Yes.

5 Q. And it has an 800 number, 914-4135, is that right?

6 A. Yes.

7 MR. PAUL: Can we go to the following page.

8 Q. This letter that was sent to the merchant is signed by who?

9 A. Arash Ketabchi.

10 Q. So the cover page or the contact person is Steve Ketabchi,
11 but inside the actual letter is signed by Arash Ketabchi, is
12 that right?

13 A. Yes. I would have to go back to that first page, but it's
14 signed by Arash Ketabchi, yes.

15 MR. PAUL: Then can we go on to the next page.

16 Next page, please.

17 Q. And this is the service or contract that was entered into,
18 or at least signed by DW. And I think the last page was Diane
19 Weissenberger, right?

20 A. Yes.

21 Q. So what we have, you would agree, agent, wouldn't you, is a
22 response to the merchant with regard to this complaint that was
23 filed by Diane Weissenberger, where Steven Ketabchi, in the
24 cover letter or the front page, is the contact person, but the
25 letter in response is from Arash Ketabchi, is that right?

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Giattino - Cross

1 A. It was signed by Arash Ketabchi, yes.

2 MR. PAUL: Can we go to Exhibit 230, please.

3 If we could go to the top part, highlight that.

4 Q. Again, this is a letter, correct, addressed to A1 Business,
5 where it's talking about a notification of a first chargeback
6 initiated by the issuing bank, Hanscom Federal Credit Union, is
7 that right?

8 A. Yes.

9 Q. And the reason is services were not provided or merchandise
10 not received, correct?

11 A. Yes.

12 Q. It then says, "Cardholder claims nonreceipt of merchandise
13 services. Valid proof of delivery/receipt is required along
14 with the sale invoice/order form." Is that right?

15 A. Yes.

16 Q. The bottom is again signed by Steven Ketabchi as the
17 contact person, right?

18 A. Yes.

19 Q. And he is providing an 800 number, 800-914-4135, correct?

20 A. Yes.

21 Q. Then it says "reversal reason." And then it says
22 "attached."

23 MR. PAUL: If we could go to the next page.

24 Q. If we could see, the 800 number is the same as the contact
25 person, Steve Ketabchi, wrote on the first page, 800-914-4135,

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Giattino - Cross

1 is that right?

2 A. Yes.

3 MR. PAUL: And if we could scroll down.

4 Go to the next page of this.

5 Q. Again, this is a letter signed by who, Steven Ketabchi or
6 Arash Ketabchi?

7 A. Arash Ketabchi.

8 MR. PAUL: If we can go to the next page.

9 Q. Again, this is product and services agreement with Al
10 Business Consultants.

11 This appears to be, correct, a contract with Patricia
12 Cabral?

13 MR. PAUL: If you could go to the next page.

14 Q. Is that right?

15 A. Yes.

16 Q. Signed by Patricia Cabral?

17 A. Yes.

18 MR. PAUL: If we could go to the next page.

19 Q. And included with the attachment, besides the contract --

20 MR. PAUL: If we could just scroll through those
21 documents.

22 Q. That last letter is a letter addressed to Ms. Cabral from
23 Al Business, is that right?

24 A. Yes.

25 Q. And it says, the second paragraph, "Enclosed is your

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Giattino - Cross

1 business plan draft. We are going to call you to go over some
2 business financials," and so forth, is that right?

3 A. Yes.

4 Q. And that was all part of the attachment that was forwarded
5 back to the merchant, correct?

6 A. Yes.

7 MR. PAUL: Thank you. You can take that down.

8 Q. Now, you have looked at many documents that were recovered,
9 whether it be on Mr. Ketabchi's, Steven Ketabchi's computer or
10 actual hard-copy documents, you have examined many, if not all
11 of those, is that right?

12 A. Yes, I would say many.

13 Q. So what we have just looked at is just one of many similar
14 documents that you have examined, is that fair?

15 A. Yes.

16 Q. So there were perhaps many, or several at least, documents
17 from the merchant reaching out to Al in this case, and there
18 was a response to the merchant, where the contact person often
19 was Steven Ketabchi, but the letter inside was signed by Arash
20 Ketabchi, along with additional attachments, is that not fair?

21 A. Yes. Yes.

22 MR. PAUL: Your Honor, we have a number of exhibits
23 that I am not sure whether this is requiring a sidebar or not,
24 but there are a number of exhibits we intend to introduce
25 through this witness, and I will use the elmo, the

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Giattino - Cross

1 old-fashioned way.

2 THE COURT: Go ahead.

3 MR. PAUL: We have some that have been OK'd. I am not
4 sure which ones those are.

5 MR. SOBELMAN: Your Honor, regrettably, I think we
6 will need a sidebar.

7 THE COURT: Sidebar.

8 (Continued on next page)

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Giattino - Cross

1 (At the sidebar)

2 MS. KEARNEY: This relates to the wall paralegal
3 authentication issue we have been dealing with throughout the
4 trial. My understanding is last night Mr. Mitchell at least
5 attempted to e-mail all of these documents ahead of time.

6 THE COURT: We talked about this briefly.

7 MS. KEARNEY: We never received it.

8 THE COURT: I know. This morning you were working on
9 that to check the authentication of the documents that were Mr.
10 Paul wishes to introduce now.

11 MS. KEARNEY: Correct. So we are doing that in
12 realtime. We have been able to confirm a subset of what I
13 think Mr. Paul wants to introduce.

14 THE COURT: Good.

15 MS. KEARNEY: However, the marked copies are with the
16 wall paralegal right now. So we are not going to be able to
17 match up exhibit numbers.

18 THE COURT: It's 12:00. Why don't we take our lunch
19 break. Can you handle that over our lunch break?

20 MR. SOBELMAN: Apologies, your Honor.

21 (Continued on next page)

22

23

24

25

IAT8KET3

Giattino - Cross

1 (In open court)

2 THE COURT: Ladies and gentlemen, I have some legal
3 matters. Rather than have you wait around, let's take our
4 lunch now.

5 Again, everybody is trying to make this as efficient
6 as possible for you. It's 12:10. Be back at 1:15. I do want
7 to tell you tomorrow, in order to accommodate one of you, we
8 are going to take the lunch break at 2:00. So when we have the
9 mid-morning break I suggest, although obviously you don't have
10 to, you can bring an apple, a sandwich, something like that.
11 Apples are delicious this time of year, crisp, cold. Do
12 something like that and we will break for lunch at 2. To
13 compensate for that we are breaking for lunch today at 12.

14 See you back here at a quarter after 1.

15 (Jury exits courtroom)

16 THE COURT: You may step down. Quarter after 1.

17 MR. SOBELMAN: Because Special Agent Giattino is on
18 cross, would you please instruct him that he should not speak
19 to the government attorneys, but only with the agents on
20 logistical matters?

21 THE COURT: Do not speak with the government
22 attorneys, but only with the agents. Speak with yourself.

23 (Luncheon recess)
24
25

IATJKET4

Giattino - cross

1 AFTERNOON SESSION

2 1:15 pm

3 (Trial resumes)

4 (In open court; jury not present)

5 THE COURT: All right. I understand there are
6 document issues?

7 MR. SOBELMAN: Yes, your Honor. There are two buckets
8 that our objections fall into. The first bucket is a 401-403
9 issue with respect to the documents that are labeled SK-7
10 through 22. Many of these documents significantly predate the
11 time period that Shahram Ketabchi is alleged to have been a
12 member of the conspiracy.

13 There are documents in here that include a letter
14 years ago of Shahram Ketabchi emailing or sending a letter,
15 drafting a letter to a judge to try to get Arash Ketabchi out
16 of a traffic ticket. I could go document-by-document, but our
17 essential argument is none of them have any relevance to this
18 case, and that to the extent they were deemed to have some type
19 of relevance, the likelihood of confusion would far outweigh
20 any probative value they could offer.

21 MR. PAUL: Judge, I don't see the confusion.

22 Most, if not all, of these documents are tasks that he
23 was doing for his brother just like he was doing charge-back
24 tasks. In his mind, this was just an additional list of items
25 that his brother was asking him to do. It shows that this was

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Giattino - cross

1 a continuation of his activity on behalf of his brother
2 starting before this conspiracy that is alleged to have
3 occurred, including through the time period of the conspiracy
4 itself. So that is the purpose of introducing these.

5 THE COURT: If it is before the conspiracy, what is
6 the relevance? It is that his work during the conspiracy was
7 of a piece from before the conspiracy?

8 MR. PAUL: Correct.

9 THE COURT: What is the relevance of that?

10 MR. PAUL: Because they're trying to argue his state
11 of mind through all of these various exhibits they've
12 introduced, hundreds or so. We're simply arguing that his
13 state of mind was such that these charge-backs, which was what
14 they're alleging -- the government will argue he did many more
15 things besides charge-backs, obviously, by their introduction
16 of exhibits.

17 We're offering these charge-backs was just
18 incorporated into the many tasks he has been doing in an
19 ongoing basis for several years on behalf of his brother, and
20 it goes to his state of mind that, in fact, he did not think
21 these charge-backs was any more than what he had been doing
22 previously for the many tasks his brother was asking him to do.

23 MR. SOBELMAN: Perhaps we can focus on a couple of
24 examples, and that might help frame the issue on to the floor.

25 THE COURT: Sure.

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Giattino - cross

1 MR. SOBELMAN: For example, looking at the first one
2 in the series, SK-7, it is a mortgage document.

3 THE COURT: Yes. Where are the years?

4 MR. PAUL: The date is April 14, 2014.

5 THE COURT: What is the years of the conspiracy? Let
6 me get the indictment out.

7 MR. SOBELMAN: It is included in that range, but the
8 government's theory is that Shahram Ketabchi did not join the
9 conspiracy until more than a year after that. We will not
10 argue to the jury otherwise.

11 MR. PAUL: That is nice, but I think it is part of the
12 conspiracy time-frame. I think it just incorporates what he
13 had been doing previously up and through the time the
14 government is alleging he participated.

15 MR. SOBELMAN: Your Honor, the indictment is broader
16 because it was initially brought against multiple defendants
17 and the conspiracy existed before Shahram Ketabchi joined the
18 conspiracy. The fact he filed a mortgage document for his
19 brother or may have done so a year and a half before the joined
20 the conspiracy is of no moment for this jury.

21 THE COURT: Is it SK-7 you want me to look at?

22 MR. SOBELMAN: That is the first one in a series, but
23 I am happy to look at any of them in this bucket.

24 THE COURT: What is SK-7, Mr. Paul?

25 MR. PAUL: SK-7 is a mortgage application that my

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Giattino - cross

1 client was doing on behalf of his brother, Shahram Ketabchi,
2 dated April 18, 2014.

3 MR. SOBELMAN: It is unclear to the government -- not
4 that we are going to make an argument -- Mr. Steve Ketabchi was
5 the one that filled this out. It doesn't appear to the
6 government it is his writing, for example, compared to other
7 items seized from his apartment.

8 THE COURT: Fair enough. Mr. Paul?

9 MR. PAUL: I didn't hear.

10 THE COURT: There is nothing in this document that the
11 government says this has anything to do with Shahram.

12 MR. PAUL: Except it was taken off of his device just
13 like they're arguing all these other items were taken off his
14 device and they're going to as a basis, well, if it was taken
15 off his device, it must have been had something to do with it.

16 Either he read it to show his knowledge or his intent
17 as well for the many documents that went through his device.
18 We are trying to show his state of mind was such the
19 charge-backs were one of many things that went through this
20 device from his brother. Whether he actually filled this in or
21 not --

22 THE COURT: I understand. What is in this so-called
23 bucket, SK-7? What else?

24 MR. SOBELMAN: 7 through 22. Another good example is
25 SK-11.

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Giattino - cross

1 MR. PAUL: SK what?

2 MR. SOBELMAN: 11.

3 THE COURT: What is SK-8?

4 MR. PAUL: These are bank records that my client had
5 on his computer that had to do with Arash Ketabchi's personal
6 bank as another task. My client, quite frankly, Judge was a
7 file cabinet for his brother. His brother asked him to do
8 anything and everything for him. Included in that, he had
9 access to or was provided by Arash Ketabchi's and his checking
10 account and his banking account. It is one of many things.

11 THE COURT: SK-9? I understand, Mr. Paul. What is
12 SK-9?

13 MR. PAUL: I think Arash was under foreclosure, and I
14 think my client was trying to help him get out from under the
15 foreclosure.

16 THE COURT: I take it that he doesn't -- what can you
17 ask this witness about -- he doesn't know what --

18 MR. PAUL: I don't intend to ask the witness anything
19 other than these were taken off his device so I can introduce
20 them. I have no questions with regard to this witness and
21 these exhibits, Judge. I am simply using this witness to
22 introduce these exhibits because he is the one who has been the
23 vehicle of the government introducing all the many exhibits
24 taken off my client's device.

25 MR. SOBELMAN: The witness will not be able to

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Giattino - cross

1 authenticate any of these documents. We agree they're
2 authentic. This witness has never seen these documents before.
3 I am not sure why we're dealing with this now while the witness
4 and jury is waiting. We can revisit this at a different time?

5 MR. PAUL: My goal is to introduce these exhibits
6 through this witness. That is it. I intend to --

7 THE COURT: Well, but the government has just said
8 this witness can't say they came from Shahram Ketabchi.

9 MR. PAUL: But they authenticated it has. I don't
10 need this witness to authenticate. That is why I went through
11 this rigamarole. They authenticated these came off his
12 devices.

13 THE COURT: So how are you getting them admitted?

14 MR. PAUL: Are these some of the documents -- he was
15 the one who gathered all of these documents, whether they be
16 hard copy or taken from the device, so all I am trying to do
17 through this witness is introduce the exhibits themselves. I
18 am not asking him any questions about the content of the
19 exhibits themselves because he probably has no recollection of
20 them.

21 THE COURT: I am confused. The government, apparently
22 they have agreed to the authenticity of these documents?

23 MR. SOBELMAN: Correct, your Honor, there is no
24 dispute as to authenticity of these documents.

25 THE COURT: What is the witness going to do for you in

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Giattino - cross

1 addition to saying yes, these came from Shahram Ketabchi, that
2 is authenticated?

3 MR. SOBELMAN: This witness can't even do that. That
4 is my point. The witness, as far as I know, has never seen
5 this stack of documents, and as we discussed in this case,
6 there are many, many items on these devices and he has not
7 reviewed all of them.

8 MR. PAUL: Fine. I will recall this witness on my
9 case, have this witness review these documents so that he can,
10 in fact, recall these were documents taken from my client's
11 devices and introduce them on my case.

12 THE COURT: Can he do that?

13 MR. PAUL: Why not?

14 THE COURT: How can he recall they came from the --

15 MR. PAUL: He can go back and do what they just did,
16 authenticate it and say these came from my client's computer
17 and/or --

18 MR. SOBELMAN: There is an easy way to shortcut this.
19 We are happy to enter into a stipulation saying these
20 are authentic documents came from where they came from.

21 THE COURT: That doesn't get them admitted, does it?

22 MR. SOBELMAN: No. They can offer them pursuant to
23 the stipulation at any time, and your Honor will rule on the
24 objections we are raising now just as they have objections to
25 our documents we offered a stipulation. I didn't ask Special

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Giattino - cross

1 Agent Giattino whether each of those came from the devices.

2 MR. PAUL: That is fine. I am assuming the government
3 will enter such a stipulation that it has been authenticated,
4 and then they can raise individual objections like they're
5 starting to do now, and either your Honor will rule admitted or
6 not admitted.

7 THE COURT: When the jury is not here?

8 MR. PAUL: Yes, your Honor.

9 THE COURT: Do that!

10 MR. SOBELMAN: Are any of these documents you plan on
11 trying to admit through this witness?

12 MR. PAUL: Not with this understanding.

13 THE COURT: Bring this jury in.

14 MR. SOBELMAN: Thank your Honor.

15 MR. PAUL: In that case, Judge, I have no further
16 questions, but I'll wait to say it in front of the jury.

17 THE COURT: Mr. Schmidt, do you have any questions?

18 MR. SCHMIDT: If I may, your Honor.

19 (Off-the-record discussion)

20 (Jury present)

21 THE COURT: Please be seated in the courtroom. Mr.
22 Paul, you may continue the cross-examination.

23 MR. PAUL: Your Honor, I have no further questions of
24 this witness.

25 THE COURT: Thank you. Mr. Schmidt, any questions?

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Giattino - cross

1 CROSS EXAMINATION

2 BY MR. ABEGAZ-HASSEN:

3 Q. Good afternoon, Judge. Good afternoon, Agent. I have one
4 question.

5 You testified earlier that you reviewed some of the
6 documents from Mr. Ketabchi's computer, correct?

7 A. Yes.

8 Q. You didn't review all of the documents from his computer.
9 Is that right?

10 A. That's right.

11 Q. You reviewed just the ones that the government provided to
12 you for review in anticipation of your testimony?

13 A. Well, on the date of the search warrant? Are you talking
14 specifically about electronic devices? I missed the -- I.

15 Q. I am talking about all of the documents.

16 A. Yes, on the date of the search warrant I was examining
17 documents to see if they were relevant to the search, so I
18 wouldn't say that the only documents I reviewed were chosen by
19 the government.

20 Q. On the day of the search, you did kind of a cursory glance
21 to see if something might be relevant, but you didn't look at
22 the documents?

23 A. I would say that's right.

24 Q. And later on you did a more in-depth search of just the
25 ones provided to you for your testimony?

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Giattino - redirect

1 A. That's right.

2 MR. ABEGAZ-HASSEN: Thank you. No further questions.

3 THE COURT: Ladies and gentlemen, you can now see what
4 a lawyer means by just one question. Any redirect?

5 MR. SOBELMAN: Briefly, your Honor.

6 THE COURT: Yes.

7 REDIRECT EXAMINATION

8 BY MR. SOBELMAN:

9 Q. Agent Giattino, do you recall Mr. Paul asking you about
10 signatures on a few different letters?

11 A. Yes.

12 Q. Do you recall being asked who signed those letters?

13 A. Yes.

14 MR. SOBELMAN: I am going to show you what are marked
15 as 234 D-1, 235-2 and 235-1, and these, I will show them to
16 defense counsel.

17 (Off-the-record discussion)

18 BY MR. SOBELMAN:

19 Q. Ms. Lee, would you please put up what is in evidence as
20 Government Exhibit 234 D. Would you please compare Government
21 Exhibit 234 D to 234 D-1, which is before you in that plastic
22 sleeve. Does it appear to be the same document?

23 A. Yes.

24 MR. SOBELMAN: The government offers 234 D-1.

25 THE COURT: Hearing no objection, admitted.

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Giattino - redirect

1 (Government's Exhibit 234 D-1 received in evidence)

2 BY MR. SOBELMAN:

3 Q. Would you please remove it from the plastic sleeve.

4 Would you please take your time, run your finger over
5 where the signature is at the bottom of the page and see if you
6 can determine whether it appears to be what I would call a wet
7 ink signature or an original signed version or whether it is
8 some kind of printout or copy. If you turn it over and feel
9 the back, that may help.

10 A. Yes, that's what I just did and it appeared to be a wet
11 signature, meaning signed with pen.

12 Q. Now let's take a look at Government Exhibit 235, Page 2.

13 Special Agent Giattino, could you compare this to --
14 sorry, I don't have the originals in front of me -- it is 235-2
15 in the sleeve.

16 MR. PAUL: Objection, your Honor. It is beyond the
17 scope of cross.

18 THE COURT: I will allow it.

19 BY MR. SOBELMAN:

20 Q. Could you please compare what is in the sleeve as 235-2 to
21 the portion of Government Exhibit 235 that is on our screen.
22 Is it the same document?

23 A. Yes.

24 Q. Can you please pull that document out of the sleeve.

25 MR. SOBELMAN: The government offers 235-2.

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Giattino - redirect

1 THE COURT: Hearing no objection, admitted.

2 (Government's Exhibit 235-2 received in evidence)

3 BY MR. SOBELMAN:

4 Q. Could you please do the same analysis, move your finger
5 over the signature block and look closely at it and see if you
6 can determine whether it appears to be the wet ink signature or
7 it is some kind of copy or printout?

8 A. Based on hearing and touching the back, it appears to be a
9 wet ink signature.

10 Q. Ms. Lee, let's take a look at Government Exhibit 235, Page
11 11. Special Agent Giattino, could you pull 235-1 in the sleeve
12 in front of you. Would you compare the first page of 235-1 to
13 the page that is up now which is Page 11 of 235. Does that
14 appear to be the same document?

15 A. Yes.

16 Q. Ms. Lee, go to the last page of Exhibit 235.

17 Special Agent Giattino, if you could please compare
18 the second page of 235-1 to what is on your screen, which is
19 Page 18 of 235. Does that appear to be the same document?

20 Sorry. The very last page of this document, Ms. Lee. There it
21 is. Yes, Page 29. Thank you. Please compare Page 2 of 235-1
22 to Page 29 of 235. Does that appear to be the same page?

23 A. Yes.

24 MR. SOBELMAN: The government offers 235-1.

25 THE COURT: Hearing no objection, admitted.

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(Government's Exhibit 235-1 received in evidence)

BY MR. SOBELMAN:

Q. Can you please do the same analysis or move the second page of 235-1 from the sleeve and see whether it is a wet ink signature?

A. Yes, it appears to be a wet ink signature.

MR. SOBELMAN: One moment, your Honor. No further questions.

MR. PAUL: No questions.

THE COURT: Mr. Schmidt, anything?

MR. ABEGAZ-HASSEN: No questions.

THE COURT: You may step down, sir. You're excused.

(Witness excused)

MS. KEARNEY: Before we call our next witness, I would like to read a stipulation.

THE COURT: Yes, ma'am. Is it a stipulation of fact or testimony?

MS. KEARNEY: It is a testimonial stipulation.

THE COURT: All right.

MS. KEARNEY: It is hereby stipulated and agreed by and between the United States of America, by Geoffrey S. Berman, United States Attorney, Kiersten A. Fletcher, Benet J. Kearney, and Robert Sobelman, Assistant United States Attorneys, and Andrew Owimrin, by and his attorneys, Sam A. Schmidt, Esquire and Abraham Jabir Abegaz-Hassen, Esquire, and

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1 Shahram Ketabchi, by and through his attorneys, Kenneth A.
2 Paul, Esquire and Jacob Mitchell Esquire that:

3 1. If called as a witness at trial, a custodian of
4 records from Discover would testify that Government Exhibit
5 901, including all parts and subdivisions thereof, contains
6 true and correct copies of records obtained from Discover
7 regarding an account opened and maintained at Discover and
8 bearing account number ending 0568, that the original records
9 were all made at or near the time by or from information
10 transmitted by a person with knowledge of the matters set forth
11 in the records, that they were kept in the ordinary course of
12 Discover's regularly conducted business activity and it is the
13 regular practice of that business activity to make the records.

14 2. If called as a witness at trial, a custodian of
15 records from Founder Federal Credit Union would testify that
16 Government Exhibits 902 and 903, including all parts and
17 subdivisions thereof, contain true and correct copies of
18 records obtained from Founders Federal Credit Union regarding
19 accounts opened and maintained at Founders Federal Credit Union
20 and bearing account numbers ending in 6065 and 6744
21 respectively, that the original records were all made at or
22 near the time by or from information transmitted by a person
23 with knowledge of matters set forth in records, that they were
24 kept in the ordinary course of Founders Federal Credit Union's
25 regularly conducted business activity and it is the regular

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1 practice of that business activity to make the records.

2 3. That if called as a witness at trial, a custodian
3 of records from Capital One would testify that Government
4 Exhibits 904 A, 908 A, 909 A and 910, including all parts and
5 subdivisions thereof, contain true and correct copies of
6 records obtained from Capital One regarding accounts opened and
7 maintained at Capital One and bearing account numbers ending in
8 1253, 0445, 6752, 1715, 6969, 8897, 1420, 5521, and 6190, that
9 the original records were all made at or near the time by or
10 from information transmitted by a person with knowledge of the
11 matters set forth in the records, that they were kept in the
12 ordinary course of Capital One's regularly conducted business
13 activity and that it is the regular practice of that business
14 activity to make the records.

15 4. If called as a witness at trial, a custodian of
16 records from Bank of America would testify that Government
17 Exhibits 906 A and 909 A, including all parts and subdivisions
18 thereof, contain true and correct copies of records obtained
19 from Bank of America regarding accounts opened and maintained
20 at Bank of America bearing account numbers ending in 3770,
21 6913, 4639 and 6534, that the original records were all
22 maintained at or near the time by or from information
23 transmitted by a person with knowledge of the matters set forth
24 in the records, that they were kept in the ordinary course of
25 Bank of America's regularly conducted business activity and it

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1 is the regular practice of that business activity to make the
2 records.

3 It is further stipulated and agreed that this
4 stipulation and Government Exhibits 901, 902, 903, 904 A, 906
5 A, 908 A, 909 A, and 910 may be received in evidence at the
6 trial in the above-referenced matter and signed by the parties.

7 Pursuant to that stipulation, your Honor, the
8 government now offers Exhibits 902, 902 A through D, 903, 903 A
9 through F.

10 THE COURT: Are you introducing the stipulation
11 itself?

12 MS. KEARNEY: The government does. It is marked
13 Government Exhibit 303, and we offer it into evidence as well.

14 THE COURT: What about 901?

15 MS. KEARNEY: One moment, your Honor. Your Honor, the
16 government offers all of the records as Exhibits 901, 902, 903,
17 904 A, 906 A, 908 A, 909 A, and 910.

18 THE COURT: Admitted without objection.

19 (Government's Exhibits 901, 902, 903, 904 A, 906 A,
20 908 A, 909 A and 910 received in evidence)

21 THE COURT: The next witness for the government?

22 MS. KEARNEY: The government calls Jane Thompson.

23 JANE THOMPSON,

24 called as a witness by the Government,

25 having been duly sworn, testified as follows:

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Thompson - direct

1 DIRECT EXAMINATION

2 BY MS. KEARNEY:

3 Q. Good afternoon, Ms. Thompson.

4 How old are you?

5 A. I'm 55.

6 Q. Where do you currently live?

7 A. In North Carolina.

8 Q. Where did you live in 2015 and 2016?

9 A. South Carolina.

10 Q. What do you currently do for work?

11 A. I'm a nurse, a registered nurse.

12 Q. What kinds of services do you perform currently as a
13 registered nurse?

14 A. I do supervisory visits for AIDS in the homes.

15 Q. How long have you been doing supervisory visits for AIDS?

16 A. Since 2015.

17 Q. Is that full-time work or part-time work?

18 A. It is part-time work.

19 Q. Prior to doing supervisory visits, what did you do for
20 work?

21 A. I was a nurse in Springs Hospital in Lancaster, South
22 Carolina.

23 Q. How long did you work at that hospital?

24 A. Since 1987.

25 Q. What kinds of things did you do there?

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Thompson - direct

1 A. A variety of things. I was started out in the emergency
2 room. I also worked, did home health nursing. I was a hospice
3 nurse for a while. I also did transitional care nursing on the
4 Transitional Care unit, and I did ER mental health.

5 Q. Were those responsibilities full-time or part-time?

6 A. Mostly full-time.

7 Q. What kinds of hours were you working when you were working
8 full-time?

9 A. A little bit at that time, but most of it was nights, 7:00
10 pm to 7:00 am.

11 Q. When did you stop working full-time?

12 A. In 2015.

13 Q. Why did you stop working full-time?

14 A. Because of family illnesses. My mother was on, she was on
15 hospice, and she passed away in 2013, November of 2013 after a
16 long illness, and then in 2016, around that
17 mid-October-November, it was October of 2016, my oldest brother
18 passed away suddenly.

19 At that time my dad was also in hospice, and so I,
20 around that time, that was the time I, like I said, I stopped
21 working to spend more time with them because as I did with my
22 mom and my other brother, my only other sibling was very ill
23 also and has since passed away.

24 Q. What time period, I am sorry, was your father in the
25 hospice?

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Thompson - direct

1 A. He went into hospice right after my mom passed away, and he
2 ended up passing away in 2015 of November, I believe it was.

3 Q. He was in hospice a little bit before that?

4 A. Yes, almost two years.

5 Q. Now, are you familiar with a company called A1 Business
6 Consultants?

7 A. Unfortunately, I am.

8 Q. In general terms, how are you familiar with them?

9 A. Well, they're the company that has been able to take every
10 bit of my 401 (k) money. I don't know what else.

11 Q. Were you in touch with people from A1 Business Consulting?

12 A. Yes, I was.

13 Q. When were you in touch with them, approximately?

14 A. It started in -- (pause) --

15 THE COURT: Take your time. There is water there if
16 you would like.

17 THE WITNESS: Okay.

18 THE COURT: Take your time.

19 BY MS. KEARNEY:

20 Q. Do you remember when you were in touch with them?

21 A. I don't know. I may have to look. I have written
22 everything, I took notes.

23 Q. Do those notes refresh your recollection about when you
24 were in touch with A1?

25 A. Yes.

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Thompson - direct

1 THE COURT: Do you know what year it was --

2 THE WITNESS: Yes.

3 THE COURT: -- when you first had contact with them?

4 THE WITNESS: 2015.

5 THE COURT: 2015. Next question.

6 BY MS. KEARNEY:

7 Q. Now, you said you paid some money to A1 Business
8 Consultants?

9 A. Yes.

10 Q. Approximately how much money did you pay to A1?

11 A. Over 200,000.

12 Q. To date, have you been able to get any of it back?

13 A. No.

14 Q. You told us about several things that were going on in your
15 life in 2015. Have you been diagnosed with any medical
16 conditions as a result of that?

17 A. Yes, anxiety, stress.

18 Q. Could you describe it.

19 A. Yes. Anxiety, stress, and because of that, I have trouble
20 getting my words out. I have seen several doctors, and the
21 neurologist has told me that the reason for that is because of
22 being under so much stress. Can I just explain how it works?

23 Q. Sure.

24 A. When you're under stress and you get this fight-or-flight
25 response, and your eyes dilate and all the same things happen

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Thompson - direct

1 and you get nor epinephrine and all the hormones happen, and
2 you get all that feelings and all those things happen, when it
3 happens and you're doing that for so long and sending you -- in
4 so many months and weeks, and that happens on and on, it builds
5 up in your body.

6 Because I have had that go on for such -- had that go
7 on for such a long time, it has caused this to happen. I am
8 much better than I was, but especially when I'm nervous like
9 this, it is hard to get my words out.

10 Q. You said it is hard to get your words to come out. Does it
11 affect your memory in any way?

12 A. No.

13 Q. Does it affect your ability to process information?

14 A. No.

15 Q. Do you have any children, Ms. Thompson?

16 A. I do.

17 Q. Where do they live?

18 A. He lives in South Carolina.

19 Q. So we talked about A1 Business Consultants.

20 Prior to when you were in touch with A1 Business
21 Consultants, had you ever attempted to start a home business or
22 be contacted about a home business opportunity?

23 A. Yes.

24 Q. Approximately when was that?

25 A. That was a few years before that, I had -- I don't remember

IATJKET4

Thompson - direct

1 the impact year, but a few years before that I tried with a
2 couple of companies.

3 Q. What kinds of home businesses were those?

4 A. One of them was a drop ship company and the other one was
5 if you open, and I have a website you're on where you try to
6 sell your own products from other companies.

7 Q. Do you remember the name or names of any of those companies
8 that?

9 A. One was Dream Success to Reality and the other one was
10 Network Solutions.

11 Q. Did you ever make any money from those home business
12 opportunities?

13 A. I did from one.

14 Q. How much?

15 A. I got a check for 26 or \$36.

16 Q. So let me direct your attention to approximately the fall
17 of 2015.

18 A. Okay.

19 Q. Did there come a time when you were contacted about a
20 business opportunity involving merchant terminals?

21 A. Yes.

22 Q. Do you remember approximately when that was?

23 A. Yes, it was, I believe, in the spring. I don't remember
24 the exact date, but I remember how it started out.

25 Q. We'll get to that.

IATJKET4

Thompson - direct

1 A. Okay.

2 Q. First tell me, what is a merchant terminal?

3 A. A merchant terminal is the device that you see in a
4 business that you swipe your card and pay for your purchase or
5 your dinner or your bill.

6 Q. How were you contacted about that opportunity?

7 A. I just got a cold call at my home in South Carolina, and on
8 my landline that I never answer, and I just happened to pick up
9 that phone that time. And do you want me to tell you what they
10 asked?

11 Q. Who contacted you?

12 A. I don't know what their name, I don't remember their name.
13 It was a young guy, and --

14 Q. What was the opportunity that was presented to you?

15 A. That you can just make a little bit of money by getting
16 business cards at any establishment as long as it wasn't a
17 chain like a Chili's or Appleby's or that type of thing.

18 You get their business cards and send it into them.
19 If you have at least three a month, that would give you 10 or
20 \$15.00 for each one, and they would contact them and see if
21 they could put their terminals into their businesses.

22 Q. Did you do that?

23 A. I collected a few cards.

24 Q. Would you --

25 A. No.

IATJKET4

Thompson - direct

1 Q. Why not?

2 A. Because before you send them in, they had other people
3 contact me.

4 Q. Who contacted you?

5 A. I don't remember the name of the next person that contacted
6 me, but --

7 Q. What were they calling about?

8 A. Just other opportunities to make even more money.

9 Q. What kind of opportunities?

10 A. Well, I don't know the in-between things, but they were
11 also telling me how they could help me out with, I had a long,
12 one son in college and just all of the stuff they could help me
13 with, and then, of course, they talked about what I was going
14 through with my family and how sorry they were and everything,
15 and then this other person might could help me, so somebody
16 else called me and then they had --

17 Q. Did they present you with any business opportunities?

18 A. Yes. Then Michael Goldman called about me putting my all
19 merchant terminal in a business with him.

20 Q. Who called you?

21 A. Michael Goldman.

22 Q. Did Michael Goldman tell you what company he worked for?

23 A. He probably did and I would have written it in my notes,
24 but I don't remember off the top of my head.

25 Q. I am going to show you what has been marked as Government

IATJKET4

Thompson - direct

1 Exhibit 165.

2 Would you take a look at Page 2 of that document and
3 just read it to yourself and let me know if that refreshes your
4 recollection about what company Michael Goldman told you he
5 worked for.

6 A. (Pause) Yes.

7 Q. What company was that?

8 A. Tristar.

9 Q. Sorry?

10 A. Tristar.

11 Q. You said Michael Goldman presented you with an opportunity
12 about your own terminals?

13 A. Yes.

14 Q. What was your understanding how, if at all, you could make
15 money from your own terminals?

16 A. If I bought a terminal with him, then when the merchant
17 purchases a terminal, they have to pay so much -- can I back up
18 just a second.

19 Most people say you have -- they don't want you to use
20 your card unless it is \$10.00 or more or \$20.00 or more and
21 that is because they have to pay a fee when they use that.

22 So for that fee, depending on how risky the business
23 was, they might have to pay 4 percent or 2 percent or whatever.
24 So whatever that was, he and I would split that amount, and
25 that's how I made money. Also putting a terminal in,

IATJKET4

Thompson - direct

1 supposedly I would give \$500.00 for each terminal they placed
2 in a business, and then I didn't quite understand, but if they
3 borrowed money against that terminal or someone borrowed money,
4 there would be revenue coming from that.

5 Q. Did Michael say how much money you would need to pay for
6 this opportunity?

7 A. Yes. Well, he threw out numbers that costs up to \$150,000,
8 100,000, but, of course, he would give me a much better deal.

9 Q. Did he give you a sense of how much money you would have to
10 pay?

11 A. Around 50,000, he was saying.

12 Q. Did he give you any sense of a time-frame in which you
13 would make money?

14 A. Yes, within six weeks I would start making money.

15 Q. At that point did you agree to make a payment to Michael
16 Goldman's Company?

17 A. No.

18 Q. Did you tell him that?

19 A. Yes.

20 Q. How did he respond?

21 A. Not very happily. He used very fishy like used car
22 salesman kind of fishy, he was excited, he called lots and
23 often, and he would call and say he was in L.A., he would say
24 he was here and there and he wanted to make a movie about my
25 story, and how wonderful it would be when I made all of this

IATJKET4

Thompson - direct

1 money.

2 Q. Did he introduce you to anyone else at his company?

3 A. Yes.

4 Q. Who did he introduce you to?

5 A. He said he had his assistant he wanted me to talk with,
6 Emily Miller.

7 Q. Do you know if Emily Miller was her real name?

8 A. I am pretty sure not now, but at the time I thought it was.

9 Q. Have you ever met Emily in person?

10 A. No.

11 Q. Do you know what Emily looks like?

12 A. Yes.

13 Q. How do you know?

14 A. Well, we talked a lot on the phone and in texts, and she
15 had sent me a picture of her by text, and then we were Facebook
16 friends.

17 Q. Ms. Lee, can you please pull up Government Exhibit 705.

18 Do you recognize the person in that picture?

19 A. Yes.

20 Q. Who is it?

21 A. That's Emily Miller.

22 Q. You can take that down.

23 You said you would call and text with Emily?

24 A. That's not who I knew her as when I knew her. I mean
25 that's not the photo that she sent me when we were talking.

IATJKET4

Thompson - direct

1 Q. That is not the specific photo she sent you?

2 A. She didn't look like that in the photo that she sent me
3 when we were talking to each other.

4 Q. Why do you think those are the same people?

5 A. Well, after when she friended me on Facebook, and I looked
6 at her pictures, they looked kind of like that, but that was
7 later on.

8 Q. Understood. When you spoke with Emily, did you document
9 your conversations in any way?

10 A. I did.

11 Q. How did you do that?

12 A. I did that in my notes because this was my business, so I
13 kept, tried to keep accurate notes. As a nurse I was taught we
14 had to write it down. If it is not written down, it is not
15 done, and so I write down the date and time, but something
16 wasn't -- when I say we're meeting, I meant meeting by phone,
17 and so I would write the date and the time, her phone number
18 she was going to meet with, that type of thing.

19 Q. Would you take down everything that was said on a
20 particular call?

21 A. Not word-for-word, no.

22 Q. Did you take notes of every conversation you had with
23 Emily?

24 A. Not every conversation. We talked three times a day or
25 more sometimes.

IATJKET4

Thompson - direct

1 Q. You said you called and texted with Emily. Did you do that
2 using a cell phone?

3 A. Yes.

4 Q. Ms. Lee, could you show the witness for identification
5 Government Exhibit 170 A.

6 Do you recognize that exhibit?

7 A. Yes.

8 Q. What is it?

9 A. That is a copy of our picture of my contact information
10 from my cell phone of Emily Miller.

11 Q. Is it a fair and accurate representation of that
12 information?

13 A. Yes, it is.

14 Q. How did you get the information that is listed here?

15 A. I would have gotten one of the first phone numbers from
16 Michael Goldman because I wouldn't answer the phone if I didn't
17 know who it was hopefully, and then she would have given me the
18 additional numbers.

19 MS. KEARNEY: The government offers Government Exhibit
20 170 A.

21 THE COURT: Hearing no objection, admitted.

22 (Government's Exhibit 170 A received in evidence)

23 BY MS. KEARNEY:

24 Q. Ms. Lee, would you please publish this. Would you be able
25 to zoom in a bit on the content. You can take that down.

IATJKET4

Thompson - direct

1 When you first spoke to Emily, Ms. Thompson, what, if
2 any, companies did she tell you she was calling on behalf of?

3 A. I don't remember off the top of my head. There were so
4 many companies I don't know.

5 Q. That is all right.

6 A. I have it in my notes, I am sure.

7 Q. You said initially that you didn't agree to make any
8 payments to Michael Goldman when he talked to you. Did there
9 come a time when that changed?

10 A. Yes.

11 THE COURT: Go back to the exhibit you just put up.

12 MS. KEARNEY: 170 A.

13 THE COURT: Ms. Thompson, does looking at that exhibit
14 refresh your recollection with regard to what company Emily
15 Miller first said she was affiliated with?

16 THE WITNESS: Well --

17 THE COURT: It may or may not?

18 THE WITNESS: It does not. I will tell you I have Al
19 Business Consultants on there, but I would have changed it as
20 she changed companies.

21 THE COURT: Thank you.

22 THE WITNESS: You're welcome.

23 BY MS. KEARNEY:

24 Q. Ms. Lee, could you please put up Government Exhibit 903 A
25 which should be in evidence.

IATJKET4

Thompson - direct

1 Ms. Thompson, do you recognize this?

2 A. I do. It is a check I wrote.

3 Q. Ms. Lee, could you focus just on the face of the check
4 rather than on the back. Thanks.

5 What is the date on this check?

6 A. December 11th, 2015.

7 Q. How much is it for?

8 A. \$50,000.

9 Q. Who is it made out to?

10 A. KB Consulting.

11 Q. What is KB Consulting?

12 A. I have no idea.

13 Q. Why did you make this check out to them?

14 A. Because Emily told me to.

15 Q. Was this the investment for the merchant terminals?

16 A. Yes, I think so. Actually, I don't know. I don't know. I
17 have to look at my notes and see. Honestly, I don't know.

18 Q. Would you mind taking a look at Government Exhibit 165, on
19 Page 6, and read it to yourself and put it down.

20 A. (Pause)

21 Q. Does that refresh your recollection about what this check
22 was for?

23 A. No, not really. Only that it was -- I was sending it to
24 first them, and they told me First Trend then.

25 Q. What is First Trend?

IATJKET4

Thompson - direct

1 A. That was the company that Emily was working with at the
2 time, Emily and Michael Goldman.

3 Q. So between your first conversation with Emily and when you
4 wrote this \$50,000 check, how many times a day did you speak
5 with Emily?

6 A. I was speaking to her many times a day, two, three, four,
7 maybe at least.

8 Q. After you wrote this check, who, if anyone, contacted you?

9 A. At that time that is when Emily, Michael was kind of fading
10 out of the picture for various, I don't know what reasons, but
11 and she introduced me to what she said was going to be -- was
12 her partner, Jonathan Stewart.

13 Q. Before we talk about Jonathan, are you familiar with
14 someone called Steve Blake?

15 A. Yes.

16 Q. Who is Steve Blake?

17 A. That was someone that was -- I can't remember what she
18 called him, but he was going to be the person that would get
19 the leads for the terminals.

20 Q. Did you ever speak with Mr. Blake?

21 A. I did once a week.

22 Q. And what did he talk to you about?

23 A. He would tell me like I have six leads, for instance, I
24 have six leads, one of them is pending or one of them sent
25 their paperwork in, two of them have gotten their stuff

IATJKET4

Thompson - direct

1 together but they haven't gotten it to me yet, one of them
2 doesn't look good, things like that.

3 The next week he might say we have got this much, this
4 is looking different, this is that, I don't think one is going
5 to work out and those kind of things.

6 Q. How often did you speak to Steve Blake?

7 A. Once a week usually.

8 Q. You testified earlier you took notes when you spoke with
9 Emily. Did you take notes when you spoke with Steve as well?

10 A. Yes, I did.

11 Q. How long were you in communication with Steve?

12 A. I would guess, I would estimate that maybe six weeks.

13 Q. Approximately?

14 A. Maybe a couple of months.

15 Q. Do you remember approximately the first time Steve Blake
16 contacted you?

17 A. I don't, but if I could look at my notes, I could tell you.

18 Q. Sure. Could you look at Government Exhibit 165, on Page 7,
19 and read it to yourself and let me know if that refreshes your
20 recollection about the date that Steve Blake contacted you.

21 A. (Pause) December 14th, 2015.

22 Q. You mentioned someone named Jonathan earlier. Who is
23 Jonathan?

24 A. I don't know really, but Jonathan Stewart that I knew of
25 was, like I said, that was Emily's partner, she said. They had

IATJKET4

Thompson - direct

1 worked together before and they would be working together
2 closely, and that is all I knew.

3 Q. Did you ever speak with Jonathan Stewart?

4 A. Many times.

5 Q. What was your understanding of what company Jonathan
6 Stewart works for?

7 A. Just a minute. (Pause) I think at that time maybe this,
8 when she was saying they were going with another company, but
9 I'd have to look and see if it said something in different in
10 my notes or not. I can't remember for sure because it was
11 getting pretty confusing at the time.

12 Q. We'll go with what you remember right now?

13 A. Okay.

14 Q. Do you remember the first time you spoke with Jonathan
15 Stewart?

16 A. I don't remember the first date, no.

17 Q. Would looking at your notes refresh your recollection?

18 A. Yes, it would.

19 Q. Would you look at Government Exhibit 165, Page 8, and read
20 it to yourself and let me know if it refreshes your
21 recollection.

22 A. (Pause) Yes.

23 Q. What date did you first speak with Jonathan Stewart?

24 A. Wednesday, December the 16th, 2015.

25 Q. Do you know if Jonathan Stewart was his real name?

IATJKET4

Thompson - direct

1 A. I know now it was not.

2 Q. At the time did you think it was his real name?

3 A. Yes, of course.

4 Q. How did you speak with Jonathan?

5 A. By telephone.

6 Q. Ms. Lee, could you please put up Government Exhibit 172 A.

7 If you could zoom in on the contact information there.

8 Ms. Thompson, do you recognize this exhibit?

9 A. Yes.

10 Q. What is it?

11 A. That is a copy of my contact information on my telephone
12 with Jonathan Stewart.

13 Q. It is a fair and accurate representation of that
14 information?

15 A. Yes, it is.

16 Q. How did you learn the phone numbers for Jonathan Stewart?

17 A. Again Emily would have given me an original number, and
18 then he gave me the other numbers. That 0 would have been his
19 cell phone or what he told me about, and --

20 Q. The government offers Government Exhibit 172 A.

21 THE COURT: Hearing no objection, admitted.

22 (Government's Exhibit 172 A received in evidence)

23 BY MS. KEARNEY:

24 Q. Ms. Lee, could you publish it, please.

25 A. I am sorry. I said the other word. It is on mobile,

IATJKET4

Thompson - direct

1 actually.

2 Q. What is the entry under mobile?

3 A. 201-838-7774.

4 Q. You can take that down, Ms. Lee.

5 Ms. Thompson, did you take notes of your conversations
6 with Jonathan as well?

7 A. I did of some of them, yes, the ones involving me writing
8 checks, I would think I did.

9 Q. During the call with Jonathan on December 16th, 2015, what
10 did Jonathan speak with you about?

11 A. About setting up an LLC, limited liability company.

12 Q. Why would you need an LLC?

13 A. Because I wanted my company to be legitimate and legal.

14 Q. Did Jonathan offer you any services in connection with
15 making your company legitimate and legal?

16 A. He did.

17 Q. What kind of services?

18 A. Tax services that were going to be for my personal taxes
19 and my business taxes, and help getting my family -- settling
20 my family affairs as far as getting my parents' things
21 completed. And also setting up a business line of credit,
22 opening a bank account, business bank account, checking and a
23 line of credit for that. I might have said that, all of those
24 things I needed them to do.

25 (Continued on next page)

IAT8KET5

Thompson - Direct

1 MS. KEARNEY: Ms. Lee, could you pull up what has been
2 marked for identification as Government Exhibit 160.

3 If you could zoom in on the body.

4 Q. Ms. Thompson, do you recognize this?

5 Did you review this document in preparation for your
6 testimony today?

7 A. I did, yes.

8 Q. What is it?

9 A. It's an e-mail that I found in my e-mails.

10 Q. Do you remember receiving this e-mail on the date that it
11 was sent?

12 A. No.

13 Q. In preparation for testifying today, did the government ask
14 you to look through your e-mails and see if you could find
15 anything relating to A1?

16 A. Yes.

17 Q. Did you do that?

18 A. I did.

19 Q. In connection with that, did you find this e-mail?

20 A. Yes, I did.

21 MS. KEARNEY: The government offers Exhibit 160.

22 THE COURT: Admitted without objection.

23 (Government's Exhibit 160 received in evidence)

24 MS. KEARNEY: Ms. Lee, could you publish it, please.

25 Q. Ms. Thompson, what is the date on this e-mail?

IAT8KET5

Thompson - Direct

1 A. December 17, 2015.

2 Q. Who is it from?

3 A. It's from Arash Ketabchi or something.

4 Q. At what e-mail address?

5 A. Atechosign@echosign.

6 Q. Who is it to?

7 A. It's to jthompson13.

8 Q. Who is that?

9 A. That's me.

10 Q. At the time, did you know who Arash Ketabchi was?

11 A. Never heard of him.

12 Q. Let's look at the right-hand side of what is in the body
13 there.

14 It says, "Arash Ketabchi, positivefaith@gmail.com."

15 It says, "Please review and sign, Jane Thompson."

16 Do you know who positivefaith@gmail.com is?

17 A. No.

18 Q. What is your understanding of what the sender of this
19 e-mail wanted you to do?

20 A. They wanted me to click on it and sign it and send it back
21 to them.

22 Q. Could you look at the left-hand side of the body there.

23 MS. KEARNEY: Ms. Lee, is it possible to blow it up so
24 it's readable?

25 It looks like not. We will move on then.

IAT8KET5

Thompson - Direct

1 Q. Do you know what that is a picture of?

2 A. It's some type of document, but I can't really read it.

3 Q. At the bottom on the right-hand side it says, "All parties
4 will receive a final PDF copy by e-mail."

5 Did you receive that PDF?

6 A. No, I couldn't find anything else, and I certainly didn't
7 sign it and send it back.

8 MS. KEARNEY: Ms. Lee would, could you publish
9 Government Exhibit 903B, which should be in evidence.

10 THE COURT: Prior to that time, that is, prior to
11 December 17, 2015, when you received that e-mail, to your
12 knowledge, had you had any dealings or any knowledge of Arash
13 Ketabchi?

14 THE WITNESS: Never.

15 MS. KEARNEY: Could you blow up the face of that
16 check, Ms. Lee?

17 Thank you.

18 Q. Ms. Thompson, what is this?

19 A. This is another check that I have written.

20 Q. What is the check number?

21 A. 8570.

22 Q. What is the date on the check?

23 A. December 18, 2015.

24 Q. How much is it for?

25 A. \$18,999.

IAT8KET5

Thompson - Direct

1 Q. Who is it made out to?

2 A. A1 Business Consultant, LLC.

3 Q. Can you make out the memo line?

4 A. Tax business services.

5 Q. How many days after your December 16 conversation with
6 Jonathan Stewart did you write this check?

7 A. Two days.

8 Q. Where did you get the money for this check?

9 A. From my 401(k).

10 Q. You said the memo line says "tax business services." What
11 did you understand that to mean?

12 A. That they were going to have somebody take care of all my
13 tax services.

14 Q. Why did you purchase that?

15 A. So someone would take care of all of my tax services.

16 Q. What business would those tax services be in connection
17 with?

18 A. With my business, my personal, and all of my family
19 business that I am still responsible for.

20 Q. What business was that? Let's put aside your personal and
21 your family for a second. What business were those tax
22 services in connection with?

23 A. With these terminals, is that what you're asking?

24 With the terminals, with the business I was setting up
25 and they were helping me set up; that they were supposed to be

IAT8KET5

Thompson - Direct

1 setting up for me for the business that I was establishing.

2 Q. So in addition to paying this money, what was your
3 understanding of what, if anything, you would have to do to
4 make that terminal business successful?

5 A. That was very clear. I was not going to have to do
6 anything, as far as no selling. I was not going to have to
7 do -- I wouldn't have to learn Webinars or go through lessons
8 or whatever. Because I asked them very, very clearly, I said,
9 I'm not a seller. If somebody wants to buy something, I'm
10 like, if you want to buy it, buy it, if you don't, it's OK with
11 me. That's not a business for me, to sell something to
12 somebody.

13 Q. Who did you say that to?

14 A. I said that to Jonathan Stewart, or the person I knew as
15 Jonathan Stewart. I said that to Emily Miller. I said that to
16 Michael Goldman. I said that to their fulfillment team. I
17 said that to everybody I spoke to, every time, very, very
18 often. So I made that extremely clear.

19 Q. When you spoke to Jonathan about it, did he respond?

20 A. Yes. He said, Don't worry about that. You won't have to
21 do anything. You don't have to sell anything. There is
22 nothing you have to do except keep up with the amount of money
23 that's coming in to you so that you can let our tax people that
24 are working for you know how much you made to do your taxes.
25 He made that extremely clear, and I made it extremely clear.

IAT8KET5

Thompson - Direct

1 We went back and forth about that on several, many occasions,
2 because that was really important to me.

3 In fact, when it came to the point, they said, you
4 know, we are going to send you a computer so that you can just
5 keep up with that, and all you have to do is print it out and
6 send it to us, or just send it through an e-mail or whatever,
7 just how much you have made, that's all you have to let us
8 know, how much money you have made, that's all you have to do.
9 Don't worry about all this other stuff, there is nothing else
10 for you to do.

11 Q. You said you were sent a computer?

12 A. Yes.

13 Q. What was the computer for?

14 A. Just so I can keep up with the money that I was making.

15 MS. KEARNEY: Ms. Lee, could you show the witness what
16 has been marked for identification as Government Exhibit 161.

17 Q. We talked earlier about how the government asked you to
18 search your e-mails, Ms. Thompson. Is this another e-mail you
19 found?

20 MS. KEARNEY: Could you zoom in a little bit?

21 A. Yes, it is.

22 Q. Who is it to?

23 A. It's to me.

24 Q. Who is it from?

25 A. From customer service at A1 customer service department.

IAT8KET5

Thompson - Direct

1 MS. KEARNEY: The government offers Government Exhibit
2 161.

3 THE COURT: Hearing no objection, admitted.

4 (Government's Exhibit 161 received in evidence)

5 Q. Ms. Thompson, you said this was from the customer service.
6 Who signed the e-mail?

7 A. Samantha M. at the fulfillment department.

8 Q. Samantha M. writes, "Our next scheduled appointment has
9 been set."

10 Before that she wrote "Thank you so much for your time
11 today."

12 Had you spoken to Samantha on December 18?

13 A. I had, yes.

14 Q. Generally, what did you and Samantha discuss?

15 A. Generally, it was Samantha and Stephanie that were in that
16 department, and one or the other one would call me once a week
17 and they would discuss how they wanted me to fill out some tax
18 forms. And I would discuss how I wasn't filling out tax forms,
19 I needed to talk to a CPA, that I was promised a CPA to take
20 care of these things, and I paid a lot of money to have that
21 busy work done.

22 They would say, Well, that needs to be done. And I
23 said, No, it's not going to be done. We would go back and
24 forth about that. And they'd say, Well, I will call you next
25 week and I'll see if I can't get you a CPA to call you. And

IAT8KET5

Thompson - Direct

1 I'd say, Well, I'm going to talk to Jonathan about that.

2 They'd say, OK. And I would talk to Jonathan about that and
3 he'd, I'm going to take care of it and get somebody to call
4 you, and nobody called me. Excuse me.

5 Q. Samantha writes, "We will go over your enrollments listed
6 below." And then she lists "corporate setup, business plan,
7 corporate credit, tax prep, and tax plan."

8 What are those items?

9 A. Those are the items that Jonathan discussed with me the
10 first time we spoke, I think. It looks like the same thing. I
11 mean, it doesn't look like it is the same thing.

12 Q. Your understanding is it was the same thing?

13 A. Yes.

14 Q. Samantha signs her e-mail from the fulfillment department.
15 How frequently did you speak to the fulfillment department?

16 A. Once a week. Sometimes she would call on -- Wednesdays
17 seemed like it was our day. Well, that says Monday. Sometimes
18 she'd say, Well, I will call you back Wednesday or Friday and
19 see if you have things together. I'd say, You can call back,
20 but I'm not going to have them together because I'm not going
21 to do those packets or something she sent. I wasn't doing
22 that. I paid \$18,000 to get this done. I'm not doing that.
23 I'm not doing it. I'm not going to do it.

24 Q. I am going to bring you up a binder. I think it will make
25 it more quick to review the documents.

IAT8KET5

Thompson - Direct

1 A. I mean, I was going to get my information together, don't
2 get me wrong, but I am not going to fill out -- I am not going
3 to do their secretarial work for them.

4 Q. Ms. Thompson, could you take a look in your binder at what
5 has been marked as Government Exhibit 175.

6 A. Can I say something? May I say something?

7 THE COURT: Wait until there is a question.

8 THE WITNESS: I'm so sorry.

9 THE COURT: That's all right.

10 Q. Can you take a look at Government Exhibit 181?

11 Do you recognize those documents?

12 A. I do.

13 Q. What are they?

14 A. Those are documents that they sent me to sign.

15 Q. Who is "they"?

16 A. Al.

17 Q. Are these the actual documents or are these pictures of the
18 documents?

19 A. Those are pictures of the documents.

20 Q. How can you tell that?

21 A. Because the cover on -- the screen cover on my phone is
22 broken and you can tell it's a photocopy here.

23 MS. KEARNEY: The government offers Exhibits 175 and
24 181.

25 THE COURT: Hearing no objection, 175 -- pardon me?

IAT8KET5

Thompson - Direct

1 MR. HASSEN: We haven't seen the documents.

2 MS. KEARNEY: Yes, you have.

3 MR. MITCHELL: No objection.

4 MR. SCHMIDT: May I have a moment?

5 No objection.

6 THE COURT: Hearing no objection, both of those
7 exhibits are admitted.

8 (Government's Exhibits 175 and 181 received in
9 evidence)

10 MS. KEARNEY: Ms. Lee, could you put up Government
11 Exhibit 175. And it's two pages, so if it's possible to put
12 them side-by-side, that would be good.

13 BY MS. KEARNEY:

14 Q. Ms. Thompson, what is your understanding of what this
15 document was for?

16 A. This document was to prepare taxes for 2014.

17 Q. When did you receive this document?

18 A. I received this document at the end of, I guess in 2016.

19 MS. KEARNEY: Ms. Lee, could you please, on page 2,
20 blow up the section below "please be aware of the following
21 deadlines."

22 Q. This says, "Your individual tax return for 2014 is due to
23 the IRS by April 15, 2015."

24 Did you receive this before or after April 15, 2015?

25 A. After.

IAT8KET5

Thompson - Direct

1 Q. Number 2 says, "If you have a corporation, your business
2 tax return for 2014 is due to the IRS by March 16, 2015."

3 Did you receive this before or after March 16, 2015?

4 A. After.

5 Q. Did you speak with anyone at A1 about that?

6 A. Yes. I called them and told them I thought they sent me
7 the wrong information. And they said it was a clerical error.
8 They just sent the wrong packet -- they just forgot to change
9 the date.

10 Q. Take a look at Government Exhibit 181.

11 MS. KEARNEY: Ms. Lee, could you just zoom in on the
12 first half.

13 Q. Ms. Thompson, what is the title of this document?

14 A. "General engagement letter for individual tax return
15 preparation."

16 MS. KEARNEY: Ms. Lee, could you scroll down a little
17 bit.

18 Q. Ms. Thompson, there is a red arrow here. It says "sign
19 here." Did you sign this document?

20 A. No, I don't believe I did.

21 Q. Why not?

22 A. Because I didn't want individual tax services done. I
23 needed business and individual tax services done.

24 Q. At the top there is a name here, Leo Gordon. Do you know
25 who that is?

IAT8KET5

Thompson - Direct

1 A. I know who that was supposed to be. He was supposed to be
2 my CPA. I spoke to him one time I think on the phone, and that
3 was it.

4 THE COURT: Do you know who "EA" stands for after the
5 name Leo Gordon?

6 THE WITNESS: I have no clue.

7 Q. Ms. Thompson, I am going to bring you what has been marked
8 as Government Exhibit 176, 178 and 180. If you could turn in
9 your binder, or maybe Ms. Lee could put up on the screen for
10 identification 185.

11 Do you recognize those four documents?

12 A. Yes, I do.

13 Q. What are they?

14 A. These are packets that were sent to me by A1.

15 Q. Three of those that I just brought to you, those are in
16 plastic sleeves. Were they like that when you got them from
17 A1?

18 A. No, they weren't.

19 MS. KEARNEY: The government offers Exhibits 176, 178,
20 180 and 185.

21 THE COURT: Hearing no objection, admitted.

22 (Government's Exhibits 176, 178, 180 and 185 received
23 in evidence)

24 MS. KEARNEY: Your Honor, I was wondering if perhaps
25 we could publish the originals of 176, 178 and 180 to the jury

IAT8KET5

Thompson - Direct

1 and I continue the questioning while we do it.

2 THE COURT: Yes.

3 In other words, the government is asking that you see
4 the original of the documents. Listen to the questions and the
5 answers, but you can pass those amongst you.

6 Q. Let's start with 185.

7 MS. KEARNEY: Ms. Lee, could you publish that for the
8 jury, please.

9 Q. Ms. Thompson, what is this document?

10 A. It looks like just the welcome letter to their business.

11 Q. What is the date on it?

12 A. December 2015.

13 Q. Take a look at the second paragraph, the second sentence.
14 It says, "We are going to call you to go over some business
15 financials," and it lists a couple of things.

16 Did you someone call you to discuss that?

17 A. No. There was no talk about any month-to-month expenses,
18 startup costs, investment portfolio. There was no talk of any
19 of that.

20 MS. KEARNEY: Ms. Lee, could you please put up
21 Government Exhibit 180.

22 Q. Ms. Thompson, can you turn to the copy that's in your
23 binder, please.

24 A. I'm sorry. 180?

25 Q. Yes. 180.

IAT8KET5

Thompson - Direct

1 What is the title of this document?

2 A. "JRT Enterprises, LLC."

3 Q. What is JRT Enterprises LLC?

4 A. That was my business name.

5 MS. KEARNEY: Ms. Lee, could you just flip through the
6 pages in that document, please.

7 Could you put up Government Exhibit 178, please.

8 Q. Ms. Thompson, could you please turn to it in your binder.

9 What is the title of this document, Ms. Thompson?

10 A. "Income tax planning and strategy guide."

11 Q. You said this was another document you got from A1?

12 A. Yes.

13 Q. Did you read this document?

14 A. Where is it in here?

15 Q. I'm sorry. It's 178.

16 I read through this. Yes, I did.

17 Q. Let's look at Government Exhibit 176.

18 What is the title of this document, Ms. Thompson?

19 A. The title is "daily bookkeeping log."

20 Q. You have a copy there in your binder, right?

21 A. I do.

22 Q. Approximately how many pages is it?

23 A. Maybe 50, 75, maybe 100.

24 Q. Can you just quickly flip through the pages there?

25 A. Sure.

IAT8KET5

Thompson - Direct

1 Q. Other than the cover, are the pages the same or different?

2 A. They are the same. Well, you have got this page and that
3 page, and then they are all copies of that.

4 Q. Copies of two pages?

5 A. Copies of two pages.

6 Q. Did you fill out this document?

7 A. Absolutely not. There was nothing for me to fill in. I
8 don't have any of those expenses.

9 Q. Did you discuss these documents with anyone at A1?

10 A. I did.

11 Q. Who did you discuss them with?

12 A. With the fulfillment department.

13 Q. And you're making air quotes. Why is that?

14 A. Because the fulfillment department is nothing but busy
15 work. That was the biggest joke I ever heard of it. There was
16 nothing but stalling, that's all they did was stall.

17 Q. Did you discuss these documents with Jonathan Stewart?

18 A. I did.

19 Q. What did you say to him and how did he respond?

20 A. I told him that this was a bunch of bull and that it's
21 crazy. There is nothing to this but busy work, and I wasn't
22 paying to do busy work. And he knew that. And he was, Oh, no,
23 don't worry about that, you know, you're a special client, you
24 know, we don't need you to do all that stuff. Of course, you
25 paid money for somebody to do that. I said, You're darn right

IAT8KET5

Thompson - Direct

1 I have, in other words. And it was just on and on. We went
2 back and forth and back and forth and back and forth about
3 that. As you guys see, that looks as clean as it was when I
4 got it, and it stayed that way. I don't know how else to say
5 that politely.

6 Q. Let's take a look at what has been marked for
7 identification as Government Exhibit 163.

8 Ms. Thompson, could you please take a look at pages 3
9 through 5.

10 MS. KEARNEY: Ms. Lee, could you blow up page 3
11 through 5?

12 Q. Do you recognize pages 3 through 5?

13 A. Yes, I do.

14 Q. What are they?

15 A. I did e-sign this.

16 Q. What is "this"?

17 A. Where I paid another check.

18 Q. Could you look at page 1 of 163?

19 What is page 1?

20 A. This is an e-mail to me -- I mean, I don't recognize this.

21 Q. Do you remember receiving it on the date that's in that
22 e-mail?

23 A. I don't remember receiving it on the date that's in the
24 e-mail.

25 Q. When the government asked you to go search through your

IAT8KET5

Thompson - Direct

1 e-mails, is this a document that you found?

2 A. Yes, it is.

3 MS. KEARNEY: The government offers Government Exhibit
4 163.

5 THE COURT: Admitted without objection.

6 (Government's Exhibit 163 received in evidence)

7 MS. KEARNEY: Ms. Lee, would you please publish, and
8 we will start with page 1.

9 Q. Ms. Thompson, who is this e-mail from?

10 A. It's from Zach Peterson at Echo Sign to Zach Peterson at
11 Positive Faith.

12 Q. Who else is it to?

13 A. To me.

14 Q. What is its date?

15 A. December 29, 2015.

16 Q. At the time, did you know who Zach Peterson was?

17 A. At that time, I don't know that I knew who Zach Peterson
18 was yet. I'd have to check my notes.

19 Q. Did you eventually learn who Zach Peterson was?

20 A. I did eventually learn who he was.

21 Q. And we talked about positivefaith@gmail.com. Do you know
22 whose e-mail address that is?

23 A. Not until just recently, a week or so ago. I just found
24 out -- I just heard that name. I still don't know who that is.

25 Q. At the time you didn't know?

IAT8KET5

Thompson - Direct

1 A. I had no idea, no.

2 Q. Let's take a look at page 3.

3 MS. KEARNEY: Ms. Lee, if you could zoom in on the top
4 half.

5 Q. What is the title of this document?

6 A. "Product and Services Agreement with A1 Business
7 Consultants, LLC."

8 Q. Who is this agreement between, who are the parties?

9 A. Between A1 Business Consultants and myself.

10 Q. What is the date on this agreement?

11 A. The 29th of December, 2015.

12 MS. KEARNEY: Ms. Lee, could you zoom in on the
13 products and services. Thank you.

14 Q. How much money is this agreement for?

15 A. \$9,995.

16 MS. KEARNEY: Ms. Lee, let's go to page 5.

17 Q. Ms. Thompson, did you sign this contract?

18 A. I did. I e-signed that.

19 Q. Did you speak to anyone at A1 about this contract before
20 you signed it?

21 A. While I was signing that, I did. I spoke with Emily
22 Miller.

23 Q. How about prior to signing it, were you surprised when you
24 received this, or were you expecting it?

25 MR. HASSEN: Objection.

IAT8KET5

Thompson - Direct

1 THE COURT: Sustained as to form.

2 Rephrase it.

3 Q. Were you surprised when you received this contract?

4 MR. HASSEN: Same objection, your Honor.

5 THE COURT: I will allow it.

6 A. Yes, I was surprised, but I did sign it.

7 Q. Did you know what this contract was for before you received
8 it?

9 A. I didn't know what all of this meant. I didn't know
10 what -- I was just going along with what -- I was just going
11 along, I will be honest with you.

12 Q. Let's take a look at, under products and services, page 3?

13 A. Yes.

14 Q. It lists, YouTube, social media package, SEO/SEM, and
15 custom merchant Web site.

16 Do you know what those services or products were?

17 A. I don't know what SEM and SEO are, no.

18 Q. These services that you purchased for \$9,995, were those
19 included in the \$18,999 that we talked about earlier, or was
20 this a separate charge?

21 A. They should have been included, but obviously I paid a
22 separate charge for them.

23 Q. Let's take a look at page 5 again, the bottom of the page.

24 How did you pay?

25 A. By check.

IAT8KET5

Thompson - Direct

1 Q. What is the check number?

2 A. 8571.

3 Q. Again, what is the date on this contract?

4 A. December 29, 2015.

5 MS. KEARNEY: Ms. Lee, could you put up Government
6 Exhibit 903C, please.

7 Thank you.

8 Q. Ms. Thompson, what is 903C? What is this exhibit?

9 A. That's a check to A1 Business Consultants.

10 Q. How much is it for?

11 A. \$9,995.

12 Q. What is the check number?

13 A. 8571.

14 Q. What is in the memo line?

15 A. Front end web services.

16 Q. Now, this check is dated January 30, 2015. Is that the
17 date you wrote the check?

18 A. Yes, it would have been the date I wrote the check.

19 Q. How does this check number compare to 903B, which is the
20 check we previously looked at?

21 MS. KEARNEY: Ms. Lee, could you put them
22 side-by-side.

23 THE COURT: Blow that up, please.

24 Q. How does the check number on 903C compare to the check
25 number on 903B?

IAT8KET5

Thompson - Direct

1 THE COURT: What is the check number on each of those
2 exhibits, Ms. Thompson?

3 THE WITNESS: The one on the bottom is 8570.

4 THE COURT: And the other one?

5 THE WITNESS: The other one is 8571.

6 THE COURT: Thank you.

7 Next question.

8 Q. On page 5 of Government Exhibit 163, what is the check
9 number that you used to pay for that contract?

10 A. For the contract, it's 8571.

11 Q. Ms. Thompson, did you ever see your Web site?

12 A. No. I was told that -- as far as I know, there wasn't a
13 Web site.

14 Q. Did you ever see a YouTube video?

15 A. No, no YouTube video.

16 Q. Did there come a time when you spoke to someone in the
17 fulfillment department at A1 about your Web site?

18 A. Yes, there was.

19 Q. Who did you talk to?

20 A. I don't know if it was Stephanie or Samantha, but one of
21 those.

22 Q. What did they tell you about your Web site?

23 A. They told me that, as far as they knew, they didn't do any
24 Web site work at their company; they didn't provide that at
25 all.

IAT8KET5

Thompson - Direct

1 Q. How did you react to that?

2 A. Very angrily and upset, since I had already paid quite a
3 few thousands and thousands of dollars for it already.

4 Q. Did you talk to Jonathan Stewart about it?

5 A. Yes.

6 Q. What did he tell you?

7 A. They must be mistaken. Again, another mistake. Just
8 mistake after mistake after mistake.

9 Q. Now, this whole time that you have been speaking with
10 people from A1 Business Consultants, are you still in touch
11 with Steve Blake or has that stopped?

12 A. I'd have to check my notes on that.

13 Q. You don't remember?

14 A. I don't remember. I think probably still kind of in touch
15 with him, but I pretty much -- I kind of wasn't answering all
16 those calls. I think I still was hearing from him, but I
17 thought he was kind of a joke too.

18 Of course, I was the one that was a joke. I was the
19 one writing the checks.

20 MS. KEARNEY: Ms. Lee, could you pull up Exhibit 903D.

21 Can you zoom in on the face of the check.

22 Q. Ms. Thompson, what is this?

23 A. That's a check for \$20,000 that I wrote on January 21,
24 2016.

25 Q. What is in the memo line?

IAT8KET5

Thompson - Direct

1 A. Merchant account something services.

2 Q. Let me direct your attention to two days before the date on
3 this check, so to January 19, 2016.

4 What, if any, conversation did you have regarding
5 merchant terminals or merchant accounts on that day?

6 A. I'd have to guess. Maybe that's when I talked with
7 Jonathan and Emily about --

8 Q. Do you remember if you talked to Jonathan or Emily?

9 A. Can I look at my notes, please?

10 Q. Ms. Thompson, could you please take a look at Government
11 Exhibit 165, page 19.

12 THE COURT: She is moving on.

13 MS. KEARNEY: I'm actually not. I am going to attempt
14 to refresh her recollection.

15 THE COURT: All right.

16 MS. KEARNEY: May I proceed?

17 THE COURT: Yes.

18 Q. Can you take a look at page 19 of Government Exhibit 165,
19 read it to yourself, and let me know if that refreshes your
20 recollection about whether you talked to Jonathan or Emily that
21 day.

22 THE COURT: Ms. Thompson, when you asked to look at
23 your notes, I gather that's because you could not remember
24 whether or not you talked to Jonathan or Emily, is that
25 correct?

IAT8KET5

Thompson - Direct

1 THE WITNESS: When I said I wrote that check, I'm
2 thinking it was about a conversation that I am remembering, but
3 I would have to see my notes to know that that was the
4 conversation.

5 THE COURT: That's perfectly all right.

6 Q. Does that refresh your recollection, Ms. Thompson?

7 A. Yes. Can I read it?

8 Q. I'm sorry.

9 A. Yes, it does.

10 Q. What, if any, conversation did you have about merchant
11 terminals or merchant accounts on that day?

12 A. I talked with Jonathan and Emily on the telephone.

13 Q. Did you talk to them separately or together?

14 A. Together.

15 Q. What did you discuss?

16 A. We discussed starting up two or three terminals at that
17 time. Jonathan wanted me to go ahead and start with three
18 terminals, and he was really encouraging me to go ahead and do
19 the three. And Emily -- as I said, all three of us were on the
20 line, and she knew at the time that my money was getting lower.
21 Anyway, I don't remember exactly why or how that was, but I
22 remember specifically that conversation because -- I can
23 remember where I was sitting in my house at the time anyway,
24 but that's not important. He was wanting me to -- really
25 pitching for me to do the three terminals. And she was texting

IAT8KET5

Thompson - Direct

1 me separately. I mean we were talking, but she was texting,
2 and she said, just do one for now, just do one more now and get
3 off the phone, just get him off the phone and we will talk
4 later.

5 Q. Did you agree to purchase any terminals?

6 A. I did. I agreed to do one terminal. And I said that's
7 where the \$20,000 came in.

8 Q. What was your understanding as to whether or not you would
9 make money from that terminal?

10 A. That I would make money from it, yes.

11 Q. How would you be able to make money from that terminal?

12 A. The way that I had discussed before with the one with
13 Michael Goldman, that I would get -- if it was 4 percent that
14 we were making off that terminal, he would get 2 percent, I
15 would get 2 percent.

16 Q. When you say he would get 2 percent, I would get 2 percent,
17 who is the "he"?

18 A. He, as in Jonathan Stewart.

19 Q. What, if any, understanding did you have about when you
20 would start making money from that terminal?

21 A. Within the 30 days.

22 Q. How did you come to that understanding?

23 A. Jonathan Stewart told me that.

24 Q. I am going to show you what has been marked for
25 identification as Government Exhibit 172. You can turn to it

IAT8KET5

Thompson - Direct

1 in your binder.

2 MS. KEARNEY: Ms. Lee, could you also pull it up.

3 Q. Do you recognize this exhibit?

4 A. Yes.

5 Q. What is it?

6 A. That's the contact information off my telephone of
7 Jonathan's phone numbers.

8 Q. Could you flip through the pages?

9 Are there things here other than his contact
10 information?

11 A. These are text messages between he and I.

12 MS. KEARNEY: The government offers Government Exhibit
13 172.

14 THE COURT: Admitted without objection.

15 (Government's Exhibit 172 received in evidence)

16 Q. Ms. Thompson, let's start on page 4 of this exhibit.

17 What is the date on these messages?

18 A. January 20, 2016.

19 Q. Can you now read the messages that you sent, and then I
20 will read Jonathan's messages. OK?

21 A. "Hi, Jonathan. I sent the check. It will be there before
22 noon tomorrow. Tracking number EL190577358US. Have a great
23 day and let me know if I need to do anything else at this time.
24 Thanks, Jane Thompson."

25 Q. "OK. Thank you so much for the tracking information. We

IAT8KET5

Thompson - Direct

1 are all set for now. I will be giving you a call tomorrow
2 afternoon. I'm excited for you. Hope to speak to you often.
3 Remember your password and don't hesitate to call. Have a
4 great day Jane. Jonathan Stewart."

5 So when you told Jonathan "I sent the check," what
6 were you referring to?

7 A. The check for \$20,000.

8 Q. Then further down Jonathan tells you to remember your
9 password. What did you understand him to mean by that?

10 A. They had asked me to start using a password, to make up a
11 password that he and Emily and I would know, and Steve Blake,
12 that we would all just know. I assumed that was because they
13 didn't want anybody else to skip me up because they were
14 changing companies at that time.

15 Q. So let's look at pages 5 through 8 now.

16 What is the date on these messages?

17 A. January 22, 2016.

18 Q. Let's do the same thing. You read you, I'll read Jonathan,
19 and we will go from "Hi, Jonathan" to "take care."

20 A. "Hi, Jonathan. Hope you had a good day. Wanted to let you
21 know that the money was in my account for the check that I
22 sent. I apologize for not letting you know yesterday. That
23 was my intention. I have been so busy trying to get my house
24 here packed, emptied, dealing with realtor to get it rented. I
25 could go on but I'm sure you understand. Let me know if you

IAT8KET5

Thompson - Direct

1 need anything from me at this point. I plan to be completely
2 packed and moving van loaded and leaving here early Monday
3 morning if the weather lets us. Have a great weekend, Jane."

4 Q. "Hello, Jane. Thank you so much. My day went well, busy
5 as always, but finally heading home now. Please don't
6 apologize for anything. All is well here on our end, making
7 progress just as expected. And thank you for the notice. I
8 will definitely contact you if we need anything. Good luck
9 with the move. Yes, hopefully the weather holds up for you.
10 Enjoy your weekend as well. I will speak to you Tuesday.

11 Please please please contact me if you need anything at all."

12 A. "OK. I will definitely text or call you if I need anything
13 from here on out. Glad your workday is finally coming to an
14 end. And thanks, I will need some luck to make this happen on
15 time, but my aunt and uncle have been a huge help and I have a
16 couple of cousins and friends coming to load moving truck.
17 Just hope I can get it all packed or trashed by then. LOL.
18 Talk to you soon, Jane."

19 Q. "You will be in my prayers tonight. I think with the help
20 of friends and family you will be OK, but it doesn't hurt to
21 have a little luck on your side as well. Try to find some time
22 to relax along the way too. Have a great weekend, Jane.

23 Jonathan Stewart."

24 A. "Thanks so much. Great advice and I definitely agree.
25 Just so happy to be getting this done. Take care."

IAT8KET5

Thompson - Direct

1 Q. On page 57, you referenced that you were trying to pack up.
2 Were you moving?

3 A. Well, yeah, I was moving out of my house so I could rent it
4 because I didn't have any money coming in and I was broke.

5 Q. On page 6, when Jonathan tells you, "All is well here on
6 our end, making progress just as expected," what did you
7 understand him to mean?

8 A. That they were making progress on getting the merchant
9 terminal up and running so I would be getting some money coming
10 to me.

11 Q. Let's go to pages 8 and 9. We will do the same thing.
12 Let's start with "Hey, Jane," and we will go to "I will call
13 you right back." So you be you and I will be Jonathan.

14 "Hey, Jane. Just checking in, seeing how everything
15 is going. Please don't forget to give me a call when you're
16 free today so we can move forward with our next step. Thank
17 you. Speak to you soon."

18 A. "OK. Thanks, Jonathan. I'm at the store checking on the
19 phone right now."

20 Q. "OK. Great. I will call you right back."

21 A. "Hi, Jonathan."

22 Q. We can stop there.

23 On page 7 you said you were at the store checking on
24 the phone? What were you referring to?

25 A. I was getting a business phone for my business.

IAT8KET5

Thompson - Direct

1 Q. Why were you doing that?

2 A. Because Jonathan and Emily insisted that I needed to have a
3 separate phone for my business, and that they were going to
4 reimburse me for that.

5 Q. OK. Now, in addition to a business phone, did you obtain
6 anything else to help with your business?

7 A. Besides a business phone? I obtained so many things.

8 Q. Did you ever open a checking account?

9 A. Oh, yeah, a checking account, that cost me money too, not
10 as much as the business phone. Yeah, I opened a checking
11 account, and I had to open that, I had to put an amount of
12 money in there to open it, and then if I didn't have so much
13 money in it by -- I don't remember if it was 30 or 90 days, but
14 if I didn't have the \$1500 in there by that time, then they
15 would charge me on it. And of course I didn't so I ended up
16 having to pay money to close the account.

17 Q. When you opened the account, did you expect to have the
18 required amount of money within the time period you needed to?

19 A. Absolutely.

20 MR. HASSEN: Objection.

21 THE COURT: I will allow that.

22 It's been answered.

23 Next.

24 Q. Why did you think that?

25 A. Because Jonathan Stewart and Emily Miller both assured me

IAT8KET5

Thompson - Direct

1 that I would definitely have that money by the end.

2 Q. Now, we spoke earlier about your business phone. Were you
3 ever reimbursed for those costs?

4 A. No.

5 Q. Let's go back to Government Exhibit 172, where we left off
6 on pages 9 and 10.

7 Let's start with "Hi, Jonathan," and we will go to
8 "speak to you soon." So you be you and I will be Jonathan.

9 A. "Hi, Jonathan. If you have already gone to bed, just wait
10 until morning to respond to this, please. I just wanted to go
11 ahead and text you about it so I would not forget. I went to
12 sign form for LLC and the form asked for street address and
13 they have typed in my mailing address, and as for my mailing
14 address the form is blank. I just wasn't sure if I needed to
15 change this before mailing it in. Thanks so much, Jane."

16 Q. "Hey, Jane. Can I call you in about an hour?"

17 A. "Sure. That will be great."

18 Q. "OK. Perfect. Speak to you soon."

19 You refer here to signing a form for the LLC. What
20 were you talking about?

21 A. The fulfillment department sent me the forms for me to fill
22 out for my LLC. So after so long I went ahead and did it
23 myself.

24 Q. Can you take a look, and Ms. Lee, could you pull up for
25 identification Government Exhibit 179.

IAT8KET5

Thompson - Direct

1 Do you recognize this document, Ms. Thompson?

2 A. Yes, I do.

3 Q. What is it?

4 A. That's the North Carolina -- it's my LLC license.

5 MS. KEARNEY: The government offers Government Exhibit
6 179.

7 MR. HASSEN: No objection.

8 THE COURT: Admitted.

9 (Government's Exhibit 179 received in evidence)

10 MS. KEARNEY: Ms. Lee, could you please publish, and
11 let's look at page 3 of the document, which is actually
12 numbered page 1.

13 Q. Ms. Thompson, do you know who filled out the typewritten
14 portion of this document?

15 A. I don't know exactly who, but it came from A1.

16 Q. Whose handwriting is on this document?

17 A. It's my handwriting.

18 MS. KEARNEY: Let's look at page 2, Ms. Lee.

19 Q. Is that your signature, Ms. Thompson?

20 A. Yes, it is.

21 Q. The date up here above your signature is December 24, 2015.
22 Is that the date you signed the document?

23 A. No, it's not.

24 Q. Do you remember what date you signed it?

25 A. I don't remember the date I signed it, but it would be

IAT8KET5

Thompson - Direct

1 close to the date I wrote the check.

2 Q. Let's look at the bottom of page 1 of this document first.

3 What date was this filed?

4 A. February the 8th, 2016.

5 MS. KEARNEY: Ms. Lee, let's turn to the bottom of
6 page 2 in the notes. It says filing fee is \$125. Was that fee
7 included in the \$18,999 that you paid to A1 Business
8 Consultants?

9 A. It was supposed to be, but I had to pay it anyway.

10 MS. KEARNEY: Ms. Lee, could you please put up
11 Government Exhibit 903E?

12 THE COURT: Before we go to another document, is this
13 a good time for a mid-afternoon break?

14 MS. KEARNEY: It would be.

15 THE COURT: Ladies and gentlemen, let's take 15
16 minutes.

17 (Jury exits courtroom)

18 THE COURT: You may step down, ma'am.

19 We will take a 15-minute break.

20 Ms. Kearney, are you on track to conclude at about
21 4:30? That would be the time frame you gave me originally.

22 MS. KEARNEY: Is it 3:15 now?

23 THE COURT: It says 3:09. Let's call it 3:15.

24 MS. KEARNEY: I think I will.

25 (Recess)

IATJKET6

Thompson - direct

1 (In open court; jury not present).

2 THE COURT: Bring the jury.

3 (Jury present)

4 THE COURT: Please be seated in the courtroom. You
5 may continue with the direct examination of Ms. Thompson.

6 MS. KEARNEY: Thank you, your Honor. Would you remind
7 Ms. Thompson she is under oath?

8 THE COURT: You remain under oath. You understand
9 that?

10 THE WITNESS: Yes.

11 BY MS. KEARNEY:

12 Q. Ms. Thompson, when we left off, we were looking at
13 Government Exhibit 903 E. Ms. Lee, would you pull that up,
14 please.

15 Ms. Thompson, what is this check for?

16 A. That is for my LLC.

17 Q. What is the date on the check?

18 A. January 27th, 2016.

19 Q. Is it made out?

20 A. Secretary of State.

21 Q. What is the amount?

22 A. \$125.

23 Q. What is in the memo line?

24 A. State LLC. I can't read my handwriting right there, but --

25 Q. We'll let the jury tussle it out. Can we take a look at

IATJKET6

Thompson - direct

1 Government Exhibit 903 F, Ms. Lee.

2 Ms. Thompson, what is the date on this check?

3 A. January 28, 2016.

4 Q. Who is it to?

5 A. A1 Business Consultants.

6 Q. What is the amount?

7 A. \$30,000.

8 Q. Is there anything in the memo line?

9 A. No, there is not.

10 Q. Do you remember what this payment was for?

11 A. I don't remember off the top of my head. I have to look at
12 my notes.

13 Q. Would something refresh your recollection?

14 A. My notes would.

15 Q. Take a look at Government Exhibit 165, Page 27. Read it to
16 yourself and let me know if that refreshes your recollection
17 what this check was for.

18 A. (Pause)

19 Q. Does that refresh your recollection, Ms. Thompson?

20 A. Yes, it does.

21 Q. What was this check for?

22 A. For the second and third terminals.

23 Q. When you say the "second and third terminals," what kind of
24 terminals?

25 A. The merchant terminals.

IATJKET6

Thompson - direct

1 Q. Did you talk to anyone at A1 about those terminals before
2 you wrote that check?

3 A. Jonathan Stewart.

4 Q. Let's take a look at Government Exhibit 172 again and start
5 on Page 10. Just like last time, you read your messages, I'll
6 read Jonathan Stewart's message. Start with have a missed call
7 and go through okay, great. Have a missed call in my office
8 line. Just wanted to see if everything was okay.

9 A. Yes, it is, Emily is going to call you or she may have
10 already.

11 Q. Okay, great. I just got off the phone with Corp. Credit
12 Coach. Everything is looking great for 30 business days from
13 today. I'll speak to you soon. Until then, enjoy your day.

14 A. Okay, thanks. I am working on transferring the funds right
15 now and then I'll get to UPS again. Before 5:00.

16 Q. Okay, great.

17 So Jonathan Stewart writes to you I just got off the
18 phone with Corp. Credit Coach and everything is looking great
19 for 30 business days from today.

20 Do you know who the Corp. Credit Coach was?

21 A. Not without checking my notes.

22 Q. What were they supposed to do?

23 A. Corporate Credit Coach?

24 Q. Yes?

25 A. I don't know, but 30 days from now is when I was supposed

IATJKET6

Thompson - direct

1 to have money back in my account, I know that.

2 Q. When he says everything is looking great for 30 business
3 days from today, what does that mean?

4 A. I was supposed to have money back in my account to replace
5 that, what I was taking out.

6 Q. You saw the name Zack Peterson earlier.

7 A. Yes.

8 Q. Did there come a time when you spoke to Zack Peterson?

9 A. Yes.

10 Q. How did that come about?

11 A. Jonathan Stewart and Emily told me that Zack Peterson went
12 to Al Business Consultants. I don't know if he was the owner
13 or one of the owners, but he had a great, wonderful, they had
14 something inside of him he had to tell me and that he had an
15 opportunity for me, great opportunity for me and couldn't wait
16 for me to talk to him.

17 Q. At the time did they tell you what the opportunity was?

18 A. They didn't tell me exactly what the opportunity was, just
19 he wanted to talk with me.

20 Q. Did you eventually come to learn what the opportunity was?

21 A. I did.

22 Q. How did you learn that?

23 A. From talking with him on the telephone.

24 Q. When did that call take place?

25 A. I don't know the date, but I wrote it in my notes.

IATJKET6

Thompson - direct

1 Q. Could you take a look at Government Exhibit 165, at Page
2 22. Read it to yourself and let me know if that refreshes your
3 recollection about when the call took place.

4 A. (Pause) Yes.

5 Q. When did the call take place?

6 A. January the 20th, 2016.

7 Q. Was anyone else on the line?

8 A. Yes, it was myself, Zack Peterson, Jonathan Stewart and
9 Emily Miller.

10 Q. Zack Peterson, do you know if that was his real name or
11 not?

12 A. I know now it was not, but at the time I thought it was.

13 Q. Now, what was the opportunity that Zack Peterson offered
14 you?

15 A. To be a 20 percent owner in a business. He was going to
16 pay -- it was for \$300,000 -- he would pay half of that. I
17 would pay half. Why he would pay half, don't ask me why right
18 now because I don't know.

19 I guess to complete my insanity, I don't know, but
20 anyhow he would pay half of that and I would pay half, and then
21 I would get that 20 percent residual from their business, and
22 if only everybody would pay like I did, I would be rich right
23 now, right? Sorry.

24 Q. So did you agree to that proposal on that call?

25 A. Not right on that call, no.

IATJKET6

Thompson - direct

1 Q. You said Mr. Peterson offered you 20 percent of a business.
2 Do you know what business that was?

3 A. A1 Business Consultants.

4 Q. Why did you not agree to the proposal on that call?

5 A. Because that was a lot of money.

6 Q. Did you speak with anyone at A1 before you made a decision
7 about whether to agree or not?

8 A. Yes.

9 Q. Who did you talk to?

10 A. Jonathan Stewart.

11 Q. What date did you talk to Jonathan?

12 A. I'm sure later that day and the next day, I guess. I'd
13 have to just refer.

14 Q. Do you remember what date you talked to Jonathan?

15 A. I know within a day or so I made a decision, so --

16 Q. Was Zack Peterson on the line when you spoke with Jonathan?

17 A. Yeah, we continued to talk then. I made a decision pretty
18 quickly, so it was probably right away.

19 Q. Do you remember what you discussed with Jonathan?

20 A. How I would get paid.

21 Q. From what?

22 A. From how I would get paid from the company.

23 Q. What, if anything, did he tell you?

24 A. How those checks would come in. I know I wrote something
25 in my notes about that, how often I would get paid.

IATJKET6

Thompson - direct

1 Q. Do you remember how frequently you would get paid?

2 A. I don't remember exactly. I know I took notes on it, but I
3 don't remember it.

4 Q. Would you take a look at Government Exhibit 165, on Page
5 31, and read it to yourself and let me know if that refreshes
6 your recollection about how frequently you would get paid.

7 A. (Pause)

8 Q. Ms. Lee, would you keep it on the left-hand page, please.

9 A. (Pause)

10 THE COURT: Looking at that, do you remember now how
11 frequently you were paid?

12 THE WITNESS: I do remember. It keeps moving. I
13 don't remember without reading it. I know there would be three
14 extra checks, and something would be coming for this and that,
15 but off the top of my head, without reading my notes --

16 THE COURT: Take a look at your notes and see if it
17 refreshes your recollection.

18 THE WITNESS: Okay. (Pause)

19 BY MS. KEARNEY:

20 Q. Does that refresh your recollection how frequently you
21 would get paid?

22 A. It does as far as I would get a check from each terminal.

23 Q. Was there a price range of the check that you would
24 receive?

25 A. Yes.

IATJKET6

Thompson - direct

1 Q. What was it?

2 A. For what I remembered, it would be eventually plateau about
3 \$6,000 for each one.

4 Q. How frequently would that be?

5 A. Every two weeks.

6 Q. Where did you get that understanding?

7 A. Zack Peterson told me that and Jonathan Stewart reinforced
8 all of my things.

9 Q. Ms. Lee, could you pull up for identification what has been
10 marked as Government Exhibit 182. Ms. Thompson, do you
11 recognize that document?

12 A. Yes, I do.

13 Q. What is it?

14 A. That's the first document that I received from A1 for me to
15 sign for the contract.

16 MS. KEARNEY: The government offers Government Exhibit
17 182.

18 THE COURT: Admitted without objection.

19 (Government's Exhibit 182 received in evidence)

20 BY MS. KEARNEY:

21 Q. Ms. Lee, could you publish it, please. Thank you.

22 Now, Ms. Thompson, is this a paper copy of the
23 contract or are these photographs of the contract?

24 A. That is a photograph.

25 Q. How can you tell?

IATJKET6

Thompson - direct

1 A. Because of the thing on the side of the screen.

2 Q. Let's start with Page 2. What is the title of this
3 contract?

4 A. "Product and services agreement with A1 Business
5 Consultants LLC."

6 Q. Who is the user or one of the parties to the contract?

7 A. Myself.

8 Q. What is the date on the contract?

9 A. February 4th, 2016.

10 Q. Who is it with?

11 A. With A1 Business Consultants.

12 Q. Ms. Lee, could you zoom in on the products and services
13 section and services provided. Thank you.

14 What is the amount of this contract?

15 A. \$149,999.00.

16 Q. What services were to be provided? You don't have to read
17 all of them. Can you describe in general terms what they are.

18 A. LLC, business plan, credit coaching, tax planning.

19 Q. What are those?

20 A. Everything I already paid for.

21 Q. Does this include the partnership interest you had been
22 offered?

23 A. No, it does not.

24 Q. Let's take a look at Page 4. Did you sign this contract?

25 A. No, I did not.

IATJKET6

Thompson - direct

1 Q. Why not?

2 A. Because it didn't include the partnership, the main thing
3 that I thought I was paying for.

4 Q. Did you speak with anyone from A1 about that?

5 A. Yes, I did.

6 Q. Who did you talk to?

7 A. Jonathan Stewart.

8 Q. What did he tell you?

9 A. He told me there must be some mistake, another mistake.

10 Q. Did you talk to Zack Peterson about it?

11 A. I tried to, but I couldn't get in touch with him.

12 Q. Did you eventually get in touch with Zack?

13 A. No, but Zack eventually got in touch with me.

14 Q. How did he do that?

15 A. By message. He left me a message, I believe.

16 Q. Phone or email?

17 A. By voice-mail.

18 Q. Did you make the payment that this contract calls for?

19 A. Yes, I did.

20 Q. Ms. Lee, could you put up Government Exhibit 902 A.

21 Ms. Thompson, what is this?

22 A. That's the copy of the check that I sent them.

23 Q. What is the date on it?

24 A. February 4th, 2016.

25 Q. Who is it to?

IATJKET6

Thompson - direct

1 A. A1 Business Consultants.

2 Q. The amount?

3 A. \$149,999.00.

4 Q. What is in the memo line?

5 A. "Final investment."

6 Q. Now, did you send this check before or after you received
7 the contract that is Government Exhibit 182?

8 A. Before.

9 Q. Ms. Lee, could you show her for identification Government
10 Exhibit 184. Ms. Thompson, do you recognize this document?

11 A. Yes, that's the second contract that they sent me after I
12 received the message from Zack apologizing for the clerical
13 error that his secretary, his clerical staff must have made an
14 error and just forgot to put in the part about the partnership.
15 He was so, so, so, so, so, so sorry about, and would I please
16 just sign this and send it back.

17 MS. KEARNEY: The government offers Government Exhibit
18 184?

19 THE COURT: Admitted without objection.

20 (Government's Exhibit 184 received in evidence)

21 BY MS. KEARNEY:

22 Q. Ms. Lee, could you publish that and let's start with Page
23 1. Can you read that second paragraph starting with sorry in
24 the initial agreement.

25 A. Sorry that the initial agreement -- sorry that in the

IATJKET6

Thompson - direct

1 initial agreement the ownership stipulation was missing due to
2 a clerical error. It has now been updated.

3 Q. Ms. Lee, let's look at Page 2. Ms. Thompson, what is the
4 title of this document?

5 A. "Product and services agreement with A1 Business
6 Consultants."

7 Q. What is the entity referred to in it?

8 A. A1 Business Consultants.

9 Q. Who is the user?

10 A. Myself.

11 Q. Ms. Lee, could you go to Paragraph 1, product services
12 shareholder. How much money is this contract for?

13 A. \$149,999.00.

14 Q. What are the services provided?

15 A. The same things, LLC setup, Corporate Credit Coaching,
16 business plan, tax planning, web service, logo.

17 Q. What is the shareholder ownership?

18 A. 20 percent of A1 Business Consultants.

19 Q. Let's look at the last page. Did you sign this contract?

20 A. No, I did not.

21 Q. Ms. Lee, could you put up Government Exhibit 902 A again.
22 Ms. Thompson, was this check negotiated?

23 A. Yes, it was.

24 Q. Ms. Lee, could you put up Government Exhibit 902 B. What
25 is this, Ms. Thompson?

IATJKET6

Thompson - direct

1 A. That's a check, another check I wrote to A1 Business
2 Consultants.

3 Q. What is the date on it?

4 A. February 19, 2016.

5 Q. What is the amount?

6 A. \$10,000.00.

7 Q. What is in the memo line?

8 A. A loan to CPA services, personal and business for 2015,
9 2016 and 2017.

10 Q. Did you talk with anyone at A1 before writing this check?

11 A. I did.

12 Q. Who did you talk to?

13 A. I talked to Jonathan Stewart.

14 Q. What did he tell you?

15 A. He told me -- I was extremely frustrated and I wanted to
16 get my taxes done because I have never been late getting my
17 taxes done, and I canceled my appointment with my personal CPA
18 that year that I had been dealing with and I was freaking out
19 because I wanted to get them done, and I talked with the CPA,
20 and --

21 Q. Did you express that to Jonathan?

22 A. Yes.

23 Q. How did he respond?

24 A. I had to pay again to get them done and this would have --
25 Jonathan thought I needed to pay some more money, but this

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Thompson - direct

1 would take care of it.

2 Q. Did anyone from Al ever assist you in filing your taxes?

3 A. No. In fact, I still am behind on getting my taxes done.

4 Sorry, Judge.

5 THE COURT: It is not my area.

6 THE WITNESS: Thank God!

7 MS. KEARNEY: Let's take a look at Government Exhibit
8 184?

9 THE WITNESS: I am still freaking out, too.

10 BY MS. KEARNEY:

11 Q. What is the date on this contract, Ms. Thompson?

12 A. April the 4th, 2016.

13 Q. After that date, did you continue to speak with Jonathan
14 Stewart?

15 MR. SCHMIDT: Objection.

16 THE COURT: I'll allow that.

17 A. I can't remember if I had any conversations with him after
18 that point. I would have to check my notes.

19 Q. Did there come a time you stopped speaking with Jonathan
20 Stewart?

21 A. Yes, because I could not get him on the telephone any more.
22 He stopped speaking with me, to be more exact to say.

23 THE COURT: Is that an objection?

24 MR. ABEGAZ-HASSEN: Yes, your Honor.

25 THE COURT: Ill allow it.

IATJKET6

Thompson - direct

1 BY MS. KEARNEY:

2 Q. After April 4th, 2016, did you continue to speak with
3 Emily?

4 A. I did.

5 Q. Ms. Lee, could you put up Government Exhibit 902 C. What
6 is this, Ms. Thompson?

7 A. That is a check that I wrote to KB Consulting.

8 Q. Who is KB Consulting?

9 A. I have no idea.

10 Q. Why did you make a check out to them?

11 A. Because they were going to help me get my money back.

12 Q. What is the date on this check?

13 A. March the 21st, 2016.

14 Q. How much is it for?

15 A. \$5,000.00.

16 Q. What is in the memo line?

17 A. "For charge-back services."

18 Q. What is charge-back services?

19 A. That was what was my understanding it was called if you had
20 written anything by credit card, had anything by credit card,
21 they might get your money back.

22 Q. So why did you write this check?

23 A. Because I had also paid some money in credit card, by
24 credit card also, and she was saying she was going to try to
25 get money back from me.

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Thompson - direct

1 Q. Who said that?

2 A. Emily was going to try to get money back I paid Jonathan
3 Stewart and A1 Business Consultants.

4 She said also I could, that even that I had written
5 checks, that they could also get charge-back services, use
6 charge-back services to do that. I didn't know if that was
7 true or not, but with all the money I spent, what is 5,000 more
8 dollars at that point. I thought anything to get my money
9 back.

10 Q. Could you put up Government Exhibit 902 D. What is this
11 check, Ms. Thompson?

12 A. Another check to KB Consulting.

13 Q. The date?

14 A. March the 25th,.

15 Q. What is the amount?

16 A. \$2,000.

17 Q. What is in the memo line?

18 A. "Final for recovery services."

19 Q. What is recovery services?

20 A. The same thing basically except for checks instead of
21 credit cards.

22 Q. Were you able to recover any of that money?

23 A. No, I was not. I don't believe that was really true,
24 actually, now.

25 Q. Ms. Thompson, did you ever make any money from the

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Thompson - direct

1 investments you made with A1 Business Consultants?

2 A. No, I did not. I didn't even get paid money for wiring the
3 money to them I was supposed to get back.

4 MS. KEARNEY: Just one moment, your Honor.

5 (Off-the-record discussion)

6 BY MS. KEARNEY:

7 Q. Ms. Thompson, in total how much money did you pay the A1
8 Business Consultants?

9 A. Close to \$300,000.

10 Q. Have you gotten any of that money back?

11 A. No, I have not.

12 MS. KEARNEY: No further questions.

13 THE COURT: All right. Thank you. Mr. Schmidt, any
14 cross-examination of this witness?

15 MR. MITCHELL: Your Honor, in the interests of time,
16 since I have a shorter amount of questions, I'll go first.

17 THE COURT: Whatever you'd like, sir.

18 This is mr. Mitchell, on behalf of Shahram Ketabchi.

19 Mr. Schmidt, how long do you think cross is, if any?

20 MR. ABEGAZ-HASSEN: About two hours, your Honor.

21 THE COURT: Mr. Abegaz-Hassen, two hours, is that what
22 you said?

23 MR. ABEGAZ-HASSEN: An estimation.

24 THE COURT: Go ahead, Mr. Mitchell.

25 CROSS-EXAMINATION

IATJKET6

Thompson - cross

1 BY MR. MITCHELL:

2 Q. Good afternoon, Ms. Thompson.

3 A. Good afternoon.

4 Q. I will try to make this as easy as possible. If I ask a
5 question that is confusing, let me know and I'll clarify, or if
6 you can't hear me, ask me to speak up, okay?

7 A. Okay.

8 Q. At some point you said that a woman named Emily contacted
9 you?

10 A. That's correct.

11 Q. You later came to find out Emily was Brooke Marcus?

12 MS. KEARNEY: Objection.

13 THE COURT: Did you later come to find out Emily's
14 true name?

15 THE WITNESS: No, I did not. I still don't know her
16 true name, actually.

17 BY MR. MITCHELL:

18 Q. So Emily sent you a contract?

19 A. No.

20 Q. Emily never sent you any contracts?

21 A. No.

22 Q. You spoke a lot on the phone with Emily?

23 A. Yes.

24 Q. And you texted with Emily?

25 A. Yes.

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Thompson - cross

1 Q. You even became Facebook friends with Emily?

2 A. I didn't become Facebook friends with Emily. She somehow
3 became a Facebook friend with me.

4 Q. She became a confidant of sorts?

5 A. Yes, she did.

6 Q. You all spoke about things other than business?

7 A. Yes.

8 Q. Personal things?

9 A. Yes.

10 Q. You told her about your family?

11 A. Yes.

12 Q. She told you about her family?

13 A. I'm not sure if she did or not, but she told me about
14 people that she made up family, and I don't know if they're
15 real or not.

16 Q. You said at some point you were speaking to her on the
17 phone two or three times a day?

18 A. Yes.

19 Q. Whenou consulted with her along the way throughout this
20 process? Throughout the different products that you purchased,
21 you would consult with her regularly?

22 A. Yes.

23 Q. Did you consider her your friend?

24 A. I did.

25 Q. Even after you had lost over a hundred thousand dollars,

IATJKET6

Thompson - cross

1 you confided still in Emily?

2 A. Is that a question?

3 Q. Yes. Did you still confide with in Emily even though you
4 lost over a thousand dollars?

5 A. Sorry?

6 Q. Even after you had lost a hundred thousand dollars or more,
7 did you still confide in Emily?

8 A. I didn't know I had lost a hundred thousand dollars at that
9 point.

10 Q. She was going to try to help you get that money back at
11 that point, so you were still trusting Emily at that point?

12 A. I was hoping I was trusting her. I wasn't sure. I was
13 doing the best I could at the time.

14 Q. She kept you on the hook?

15 A. Absolutely, you got it there, yes, good statement there. I
16 like that one.

17 Q. Did she ever apologize to you?

18 A. She did.

19 Q. When did she apologize?

20 A. Quite a few times along with that man over there.

21 THE COURT: Point to the who you're referring to.

22 THE WITNESS: I am assuming it is him, that one in the
23 sweater.

24 THE COURT: In the second row?

25 THE WITNESS: The second row, the third one from the

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Thompson - cross

1 left.

2 THE COURT: The witness has identified Mr. Owimrin.

3 BY MR. MITCHELL:

4 Q. And they apologized along the way because they were still
5 trying to -- withdrawn, your Honor.

6 Emily apologized along the way, but she continued to
7 take your money?

8 A. Yes.

9 Q. So since you realized that you felt you had been conned --

10 A. No, I didn't legalize I felt I had been conned.

11 Q. Today do you feel that way, that Emily conned you?

12 A. I feel that a lot of people conned me.

13 Q. Emily being one of them?

14 A. Jonathan Stewart and your other person over there I am sure
15 must have been one of them or he wouldn't be here on trial.

16 MR. PAUL: Objection.

17 MR. ABEGAZ-HASSEN: Objection.

18 THE COURT: Sustained. The jury will disregard the
19 statement, "The other one over there I am sure is one of them
20 or he wouldn't be on trial." The jury will disregard that
21 statement.

22 A VOICE: I move to strike that.

23 THE COURT: I instructed the jury to disregard it. Do
24 you want some underlying objection on that, sir?

25 MR. PAUL: No.

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Thompson - cross

1 THE COURT: Let's move on.

2 BY MR. MITCHELL:

3 Q. You spoke with someone named Zack Peterson?

4 A. I did.

5 Q. Did you ever come to find out Zack Peterson had another
6 name?

7 A. I did.

8 Q. Was that name Arash?

9 A. I guess that is how you say it.

10 Q. And he offered you 20 percent of his company, Al Business
11 Consultants?

12 A. Is that a question?

13 Q. Did he offer you 20 percent of his company, Al Business
14 Consultants?

15 A. Yes, he did.

16 Q. Then he sent you a contract that didn't include that 20
17 percent, right?

18 A. Right.

19 Q. And then he told you it was a clerical error?

20 A. Yes.

21 Q. And then he sent you another contract that included the 20
22 percent. Is that right?

23 A. That's right.

24 Q. And he cashed your check even though you hadn't signed that
25 contract? Arash, he cashed the check that you sent even though

IATJKET6

Thompson - cross

1 you had not signed the contract?

2 A. (Pause)

3 THE COURT: Was it that check?

4 THE WITNESS: Yes, he cashed the check. I didn't know
5 if you were asking me. I thought you were stating a fact.

6 BY MR. MITCHELL:

7 Q. I am sorry. I am asking the questions.

8 Arash, you feel, conned you?

9 By cashing your check, did Arash con you?

10 A. That is up to you. Yeah, I think that was a con mostly.

11 Q. So you believe Arash conned you. Do you think Arash would
12 con anybody?

13 A. I have no idea. I don't know Arash.

14 Q. You spoke with him with Zack Peterson?

15 A. I spoke with him one time, not unlike your clients.

16 MR. PAUL: Objection.

17 THE COURT: Sustained.

18 MR. MITCHELL: Could I show the witness Government
19 Exhibit 163?

20 THE WITNESS: Your Honor, may I ask a question?

21 THE COURT: Wait. Let him ask the questions. Is
22 there something that confuses you?

23 THE WITNESS: I do have a confused question. Who is
24 he representing?

25 THE COURT: Who do you represent, sir?

IATJKET6

Thompson - cross

1 MR. MITCHELL: I represent Steve, Steve Ketabchi.

2 THE WITNESS: Okay. That is interesting.

3 THE COURT: Proceed.

4 MR. MITCHELL: Can we get to Page 6 on Government
5 Exhibit 163.

6 (Off-the-record discussion)

7 THE COURT: There is your exhibit, sir.

8 BY MR. MITCHELL:

9 Q. Can the jury see it as well?

10 THE COURT: It is admitted. They should be able to
11 see it.

12 Q. Do you see where it says IP address on this document just
13 under Jane R. Thompson upsell history. Document uploaded by
14 Zack Peterson. IP address. December 29th, 2015, IP address 69
15 dot 117 dot 174 dot 32?

16 THE COURT: Do you see that line?

17 THE WITNESS: Yes, I do.

18 BY MR. MITCHELL:

19 Q. Are you familiar with what an IP address is?

20 A. Only from hearing it on TV.

21 Q. You know that it has to do with the internet?

22 A. Yes.

23 Q. And it identifies where someone is connecting to the
24 internet?

25 MS. KEARNEY: Objection.

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Thompson - cross

1 THE COURT: Let's see what she knows. Do you know
2 that?

3 THE WITNESS: I only know from hearing it on
4 television that it has to do with tracking down internet
5 addresses, that is all I know.

6 THE COURT: Next question.

7 BY MR. MITCHELL:

8 Q. So you mentioned a bunch of names today, people, the names
9 you knew of people you had spoken to who said they were from
10 Al. You mentioned Emily --

11 THE COURT: Is there a question?

12 Q. Other than the names that you've mentioned today, did you
13 speak to anyone else who said they were from Al? Do you
14 remember the name of anyone else who you spoke to said they
15 were from Al?

16 THE COURT: Apart from who you've told us about
17 already, Ms. Thompson, was there anyone else from Al to whom
18 you spoke?

19 THE WITNESS: There was a Steve Blake.

20 BY MR. MITCHELL:

21 Q. Mr. Blake?

22 A. Yes.

23 THE COURT: Anybody else?

24 THE WITNESS: There may have been a few others, but I
25 don't remember them off the top of my head. They may be in my

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Thompson - cross

1 notes.

2 THE COURT: Next question.

3 MR. MITCHELL: One moment, your Honor.

4 (Off-the-record discussion)

5 MR. MITCHELL: No further questions, your Honor.

6 THE COURT: All right. Thank you. Is there any
7 cross-examination? Mr. Abegaz-Hassen, you said you had a bit
8 of cross-examination? Why don't you start, sir.

9 MR. ABEGAZ-HASSEN: Thank you, your Honor.

10 THE COURT: And begin by explaining to Ms. Thompson
11 who you represent.

12 CROSS EXAMINATION

13 BY MR. ABEGAZ-HASSEN:

14 Q. Good afternoon, ladies and gentlemen. Good afternoon, Ms.
15 Thompson. My name is Abraham Hassen?

16 A. I can barely hear you.

17 Q. My name is Abraham Hassen. Is that right?

18 A. I don't know if that was right or not. I was only guessing
19 on your client.

20 Q. I represent Mr. Owimrin over here.

21 A. Who?

22 Q. Mr. Owimrin.

23 A. Never heard of him.

24 Q. So you testified that Emily Miller became a confidant of
25 yours. Is that right?

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Thompson - cross

1 A. Somewhat.

2 Q. Someone you talked to regularly?

3 You mentioned you talked to her three or four times a
4 day or more. Is that right?

5 A. Yes.

6 Q. Now, you called her -- I'll move on for a minute.

7 You mentioned earlier also that you had been investing
8 in these companies for I believe you said several years. Is
9 that right?

10 MS. KEARNEY: Objection.

11 THE COURT: Were you investing in these companies for
12 several years?

13 MS. KEARNEY: Which companies, your Honor?

14 THE COURT: Fair enough. Rephrase.

15 BY MR. ABEGAZ-HASSEN:

16 Q. Before A1, you testified on your direct that you had
17 invested in online companies for a few years, you had been
18 investing for a few years?

19 A. I think I can clarify that a little better than you just
20 stated it.

21 Q. Okay.

22 A. I had invested in a couple of companies on a few occasions.
23 I hadn't invested in companies for a few years. You're making
24 it sound a lot more broader than it is.

25 Q. My apologies. It was a few years back that you started, is

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Thompson - cross

1 that right, a few years before 2015?

2 A. Shall I be specific for you?

3 Q. If you can.

4 A. I can. I had started invested, I had some money in Network
5 Solutions, and with that company I had talked with them about
6 doing a drop ship business, and with that I had invested about
7 \$6,000, I believe, and with that company what you would do is
8 you would --

9 THE COURT: You said you invested with Network
10 Solutions for drop ship. What else? Anything else?

11 THE WITNESS: And one other company where I would open
12 a website and try to sell from like an Amazon or something
13 through that, nothing near like this.

14 BY MR. ABEGAZ-HASSEN:

15 Q. How did you get involved with Network Solutions?

16 A. I got a call or I may have seen it on the internet.
17 Honestly, I can't remember exactly where I found that out from.

18 THE COURT: What was the name of the other company you
19 just mentioned?

20 THE WITNESS: Dream Success to Reality.

21 THE COURT: Yes, you testified to that. Thank you.

22 THE WITNESS: You're welcome.

23 BY MR. ABEGAZ-HASSEN:

24 Q. Can you explain what a drop ship business is.

25 A. I sure can. It is where you have a wholesaler, you buy

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Thompson - cross

1 from a wholesaler and you put it on your website and sell it as
2 if people, people buy it as if they're buying it from you.

3 When you buy it from a lot of websites and they get it
4 and say Jane Thompson bought, they have a middleman and then
5 they get it from them, but you actually pay the drop shipper a
6 portion and then you get the amount in-between.

7 Q. What were you selling on that?

8 A. I didn't ever sell anything. I did sell one pocketbook
9 just to get my eBay things started. I sold a pocketbook from
10 my own house.

11 Q. You mentioned Network Solutions where you did drop
12 shipping?

13 A. I didn't do it. I said that's what you would have done. I
14 never got it started. That was filing to be specific. There
15 was never a business.

16 Q. My apologies. Then you also mentioned eBay just now.

17 Was that part of Network Solutions or was that a
18 different company?

19 A. That was how you could use eBay or Amazon, you can get
20 stuff off there where you could pick stuff out. If I wanted to
21 sell bags, I could sell any bags they had on eBay, but I could
22 put them on my website.

23 Q. So you had your own website?

24 A. No, I did not have a website. I never built a website. I
25 never got that far. I never actually did it, you see?

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Thompson - cross

1 Q. I understand. So you started the process of a drop ship
2 company, but it never materialized?

3 A. I never hardly even started it. You're making it sound
4 like I went all into this business. I didn't. I just kind
5 of -- I was working full time and my parents got sick so I
6 never even got into it.

7 What you have to do with all these things, you have to
8 figure it all out, you have to figure out which one's going to
9 be the business and best thing somebody wants to find, who is
10 going to want to buy it, is there a lot of competition for it.
11 If there is too much competition, you don't want to pick that
12 one. That is when I talked so much with Jonathan Stewart about
13 I didn't have time to do this kind of stuff. I want something
14 where I don't have to do all that stuff. He said you don't
15 have to do anything for this, you don't have to do anything. I
16 don't want to do anything or sell anything. This is just
17 something where you're investing into it. That is where the
18 terminals are that work for you.

19 Q. So for the Network Solutions, you started a company, you
20 technically started a company, but you never really did
21 anything with it?

22 A. Technically, I never even started. I just talked about it
23 and got the coaching. I did pay for the coaching on that one.
24 That is why I needed coaching there, but I didn't want coaching
25 for this business that we are talking about now, A1.

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Thompson - cross

1 I didn't need coaching because there was nothing to
2 coach me to do because they didn't want me to do anything.

3 Q. So you just mentioned the coaching that Network Solutions
4 did. Was that how you learned about all this markets and
5 niches you just mentioned?

6 A. How I what?

7 Q. You learned how that sometime works, how that drop shipping
8 works?

9 A. Yes.

10 Q. Do you remember any of the coaches or people that you spoke
11 with from Network Solutions?

12 A. I remember a name Mark, maybe Mark Murray or something.

13 (Continued on next page)
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IAT8KET7

Thompson - Cross

1 Q. Do you remember a Michael Thorp?

2 A. I've heard that name before, yes.

3 Q. Do you remember --

4 A. I don't know if I heard it in this -- it might have been
5 with this company. I can't remember which company. I've heard
6 that name though. And I see you have got my notes. You got it
7 out of my notes.

8 Q. Would that help you remember the Network Solutions?

9 A. It probably would, yes.

10 Q. Do you still have the government exhibits that were handed
11 to you before?

12 THE COURT: Do you have your notes?

13 Q. If I could refer you to Government Exhibit 167, page 4, and
14 just read that to yourself.

15 A. OK.

16 Q. Does that refresh your recollection of your interaction
17 with Network Solutions?

18 A. Yes, it does.

19 Q. So what were you doing with Network Solutions? Does that
20 help you remember a little more?

21 A. Yes, it does. That's just what I was saying.

22 THE COURT: That what?

23 THE WITNESS: I told you I had heard the name Michael
24 Thorp and that I was starting to look up those things trying to
25 figure out how to start that type of business.

IAT8KET7

Thompson - Cross

1 THE COURT: I think you testified -- I don't want to
2 put words in your mouth -- that you received coaching from
3 Network Solutions, is that correct?

4 THE WITNESS: That's correct.

5 THE COURT: What did that coaching consist of?

6 THE WITNESS: Talking about trying to figure out what
7 type of business I wanted to do. I can't remember all the
8 details of it, your Honor. I know it was -- I know I was
9 interested in two types of things and the coaching was
10 about -- without looking at my notes I can't remember, that's
11 why I write everything down. But it was about trying to, like
12 I said, figure out what type of niche, what was the best things
13 to try to sell and which things -- seeing what the market was
14 more saturated with.

15 THE COURT: Did someone from Network Solutions assist
16 you in that?

17 THE WITNESS: Yes.

18 THE COURT: Next question, sir.

19 BY MR. HASSEN:

20 Q. You also mentioned Amazon. Was that part of this or is
21 that a separate business, or a separate concept?

22 A. Well, I don't remember if it was separate or with that
23 but -- I don't know if they were saying that, or it was with
24 the other company, because they all kind of run together to me.
25 When I said the other company, I mean the Dream Success to

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Thompson - Cross

1 Reality. But with a lot of these companies you can sell off of
2 Amazon or eBay, you can sell products off of those companies on
3 your Web site. So that's all I know to answer you on that.

4 THE COURT: Next question.

5 Q. So do you remember doing any kind of similar business that
6 involved debt settlement or student loans?

7 A. I know they were talking about that, but no, I didn't do
8 any of those.

9 Q. When they were talking about that, was that something that
10 you were going to invest in or was that just talk?

11 A. That was things they told me that I could do, but I didn't
12 have any -- I wasn't going to settle anybody's debts.

13 Q. Do you remember having a conversation around the same
14 period of time with Targeted Lead Systems?

15 A. Targeted Lead Systems? I didn't -- ask that again.

16 Q. Do you remember having a conversation with someone named
17 Melissa about Targeted Lead Systems?

18 A. I'm sure you're reading from my notes so obviously there
19 was.

20 THE COURT: I don't want you to assume what he is
21 reading from.

22 THE WITNESS: I know what he's talking about.

23 THE COURT: Just answer the question. If you can't
24 answer the question, then he will ask another one.

25 A. No.

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Thompson - Cross

1 Q. You don't remember. Would it help to look at your notes
2 from that period of time?

3 A. Sure.

4 Q. If I could refer you to Government Exhibit 167, page 6.

5 THE COURT: Just take a look at it on the screen.
6 Read it to yourself and see if that refreshes your
7 recollection.

8 A. OK.

9 Q. Can you tell us about what that conversation with Melissa
10 was about, what kind of business that was about?

11 A. I don't remember that conversation, but I do remember that
12 that was to do with that Dream Success to Reality company, and
13 they would have -- they were selling leads, and I can't
14 remember what that was -- what exactly that was supposed to
15 have to do with. Honestly, I don't remember.

16 Q. The idea was selling leads of some sort?

17 A. Yes.

18 Q. Do you remember having a conversation with someone named
19 Trevia Davis?

20 A. I remember that name, yes.

21 Q. Who is that?

22 A. Someone at that same company.

23 Q. What was their role?

24 A. I'm not sure.

25 Q. How about someone named Leona?

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Thompson - Cross

1 A. Leona was the owner of the company.

2 Q. If I could ask you to speak into the mic.

3 A. Leona was the owner of the company.

4 Q. Leona was the owner of Dream Success to Reality?

5 A. The head of the company, if not the owner.

6 Q. How often did you talk to Leona or Trevia Davis, if you
7 remember?

8 A. I don't know about Trevia Davis, but I know I spoke with
9 Leona Davis several times, and then that company closed down
10 and then they opened back up.

11 Q. They closed down? How did you find that out?

12 A. I found that out because I saw that they were unavailable
13 on the Internet. Then all of a sudden they were available
14 again.

15 Q. Did you ever call them on the phone or was it just on the
16 Internet that you interacted?

17 A. Called them on the phone.

18 Q. What happened when you called them, did they stop
19 answering?

20 A. Yes.

21 Q. Do you remember setting up a Web site of your own through
22 them?

23 A. No, I did not set up a Web site of my own. They told me
24 they would set up a Web site for me, but I did not ever see it.

25 Q. You never saw a Web site. OK.

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Thompson - Cross

1 A. Only a thing that came up, but nothing on it. They were
2 going to do it for me, but that didn't happen either.

3 Q. This goes back to that same concept of the Drop Shipping?

4 A. Yes, you can do that through Drop Shipping, or you can sell
5 anything you wanted to through their company.

6 Q. And they set you up with some sort of portal to look into
7 it?

8 A. Yes.

9 Q. But you never put the things in it that would be necessary
10 to do it?

11 A. Correct.

12 Q. Do you remember someone named Terri?

13 A. Not off the top of my head.

14 Q. Would it help to look at the notes?

15 A. Yes.

16 Q. If I could refer you to Government Exhibit 167, page 9.

17 There are a few names mentioned. Do you remember
18 Terri now?

19 A. Terri was supposed to be the Web site designer.

20 Q. Did you ever talk to Terri about your Web site?

21 A. I did.

22 Q. What was supposed to happen? What were those
23 conversations?

24 A. Terri was supposed to be able to help me design a Web site,
25 but Terri was just like, What color do you want it to be? What

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Thompson - Cross

1 do you want on it? Instead of designing it for me she was, you
2 want black or white, you want the lettering to be green or
3 what? That was about all the designing I got from there.

4 Q. What about Steven Abrams? A cool name.

5 A. What?

6 Q. I apologize.

7 A. Cool name, is that what you said?

8 THE COURT: Proceed.

9 Do you know that person?

10 A. I remember that name, and I think he was the one that I was
11 talking to as sort of the representative after Leona, but
12 that's pretty much it.

13 Q. Was he a mentor, was that his role? Was that another
14 coaching situation?

15 A. I think that was pretty much it. He was supposed to lead
16 me along and take my money.

17 A handler, so to speak. I think he was to be my
18 handler, so to speak, the best name I could call it.

19 Q. Did you speak with him regularly then?

20 A. Did he handle me regularly? For a while, till I knew that
21 they were conning me, and I moved on and let Al do it for
22 awhile.

23 Yeah, I was pretty gullible. Not anymore. I don't
24 have any money to be gullible anymore. You all got it all.

25 THE COURT: Next question.

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Thompson - Cross

1 Q. So they had set you up with a different kind of program, is
2 that right, Steven Abrams?

3 A. If you say so.

4 Q. Tell me about the program.

5 A. I think we have already covered that pretty well, sir.

6 Q. Are you saying that the Steven Abrams program was the same
7 as the Network Solutions, or was it something different?

8 A. It's a little different. I mean, I am not understanding
9 your question.

10 THE COURT: Ask another question, sir.

11 Q. I was just trying to understand what the program was.

12 A. I don't understand your question.

13 Q. Did you end up doing a GoDaddy program?

14 A. No. GoDaddy is how you set up a Web site. That's
15 something that they said I could buy one from. I'm sure you
16 know what that is.

17 Q. And they introduced it as something different than it
18 actually was, right?

19 A. No, they didn't.

20 Q. They didn't?

21 A. No, they didn't.

22 Q. OK. So moving on, do you remember setting up
23 ds2rjhelp.com?

24 A. I didn't set it up. They set it up as to how to log into
25 my Web site they were fixing for me.

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Thompson - Cross

1 Q. And that was for Dream Success to Reality?

2 A. There you go, that's it.

3 Q. When these people were talking to you, when you were
4 talking to them regularly, you bought a business plan from
5 them, is that right?

6 A. No, that's not correct.

7 Q. That's not correct? Did they ask you to buy a business
8 plan?

9 A. I don't think that's correct. I think I just bought the
10 leads from them, best I could remember. If you want to show me
11 in my notes, I could be wrong, and I could refresh my memory if
12 you need me to.

13 Q. Do you remember having a conversation around August of 2015
14 with Michael Jeffries?

15 A. Not off the top of my head.

16 Q. If I could refer you to Government Exhibit 167, page 14.

17 Who is Michael Jeffries?

18 A. I have no idea. Just because I was going to get a welcome
19 call from him doesn't always mean I'm going to take the call.

20 Q. So that was just -- can you explain that?

21 A. May I see that one more time?

22 Q. You would like to see it again?

23 A. Please.

24 THE COURT: Ask a question, sir.

25 Q. Who was Michael Jeffries?

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Thompson - Cross

1 A. I don't know.

2 Q. Do you remember what you discussed? Do you remember the
3 company he said he was representing?

4 THE COURT: The witness is shaking her head negatively
5 to those two questions.

6 THE WITNESS: Sorry, sir.

7 Q. Do you remember the name Business Development Center?

8 A. I do not.

9 Q. A few days later, around the same time in August, do you
10 remember having a conversation with Michelle?

11 A. I do not.

12 Q. If I could refer you to Government Exhibit 167, page 15.

13 A. OK.

14 Q. So do you remember Michelle being your main point of
15 contact?

16 A. I don't remember Michelle being a main point of contact,
17 but I do remember something about this now after reading a
18 couple of those. They did send me something as a welcome -- I
19 got a gift from them. I got some hot chocolate and some stuff
20 like that. That was the best thing I got from them. And a
21 business plan, they wrote up all this stuff for me, but it had
22 nothing -- I mean, it was a joke, really.

23 THE COURT: Why do you believe it was a joke?

24 THE WITNESS: I'm sorry, sir. Because they had my
25 name on it like it was my business plan, but it was

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Thompson - Cross

1 nothing -- it was just a basic thing pulled up off the
2 Internet, a generic plan.

3 THE COURT: Thank you.

4 THE WITNESS: Yes, sir.

5 Q. And Michelle, was she another handler, as you said?

6 A. I guess, yes. She was not -- she was just somebody from
7 the company, just a person on the phone, not somebody that I
8 remember talking to regularly.

9 Q. So you didn't --

10 A. I didn't pursue that.

11 Q. You didn't really pursue that?

12 A. Past that point of getting that thing in the mail, that
13 packet.

14 Q. So going to September of 2015, do you remember having
15 conversations with Interactive Business Solutions?

16 A. No.

17 Q. Does the name Brady walker, does that ring a bell?

18 A. No, it does not.

19 Q. If I could refer you to page Government Exhibit 167, page
20 16.

21 A. This is when I was trying to get some type of company
22 started, so I was getting phone calls from everyone and his
23 brother. Once you put something on the Internet, they are all
24 going to call, from everywhere. That's why when I said I got
25 the numbers on my contact information and she said was this

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Thompson - Cross

1 fair and accurate, I said yes because I would have gotten that
2 number from Emily about Jonathan, or that number from them
3 about them, and then the rest of them. This is why. Because I
4 was getting them constantly.

5 And I was researching trying to find something else,
6 because this is when my mom was really, really sick and I was
7 working 12 hours a night, and then leaving there and going to
8 spend time with them and not getting hardly any sleep. So
9 that's why I don't remember all these people that I spoke to.
10 I know you're trying to say, if I don't remember that, how did
11 I remember this other stuff? This is why. This is why I don't
12 remember all these things. This is why I wrote it all down.
13 But I was trying to find something else that I could do while
14 spending time with my parents. My dad had dementia. My mom
15 had a form of Parkinson's and she was losing the use of her
16 hand and eventually her leg. So I wanted to try to find a way
17 that I could stay with them all the time.

18 THE COURT: Let's have another question.

19 MR. HASSEN: Thank you.

20 BY MR. HASSEN:

21 Q. So you didn't go forward with them?

22 A. No, I did not.

23 Q. But they were offering you some kind of add-on to your
24 existing business, right?

25 A. Well, they were, I think -- the way I felt it was, they

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Thompson - Cross

1 were seeing where I had spent some money with someone else and
2 they were like, you know, let's do this, you want to do it with
3 our company, you want to do this, you know. And yeah, add-ons
4 trying to get me to work further into that business. And I
5 just didn't have the time or the energy or the concentration to
6 pursue what I needed to do to get any kind of business to run,
7 but now I know none of them were really businesses.

8 Q. But at the time, one of the ones you invested in prior to
9 September 2015 was a real business that you owned, right?

10 A. I was hoping they were all real businesses, of course.

11 Q. And this company with Brady Walker was trying to sell you
12 something to add to your existing business, right?

13 A. I don't have any idea. I don't even know which one we are
14 talking about at the moment, sir.

15 Q. Well, do you remember that the idea was you didn't want to
16 do business with them, right, because it wouldn't be beneficial
17 to your company at the time?

18 A. Oh, I have no idea about that. I don't know how you're
19 thinking I didn't want to because it wouldn't be beneficial to
20 my company, when I wasn't even starting a company, and you
21 don't even know that. It doesn't make sense to me. Boy,
22 you're thinking outside the box is all I could think. Wow, you
23 in my head? How did you get that? Where in the world did you
24 get that from? You just said that I was thinking it wouldn't
25 be beneficial to my company? How in the world could you think

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Thompson - Cross

1 that?

2 THE COURT: Let's now have another question.

3 MR. HASSEN: Can I show the witness Government Exhibit
4 167, page 16.

5 Q. Read to yourself the middle section.

6 MS. KEARNEY: Objection, your Honor. The witness has
7 not had a failure of recollection.

8 THE COURT: That's correct.

9 Ask a question, please.

10 Q. Is it your testimony today that you did not have -- you did
11 not believe you had any businesses in September of 2015?

12 A. Excuse me?

13 Q. In September of 2015, did you believe you had a business?

14 A. I didn't have an active business that was selling anything.
15 I might have had something on the Internet that came up and
16 said I was a business, but that's because these companies put
17 it up there. There was something that you could punch in and a
18 Web site came up, but it didn't sell anything, unless it sold
19 more people coming to that company for them to buy, put money
20 in to buy something from that same company. But they weren't
21 buying anything to make money for me, that's for darn sure.

22 Q. I understand. My question really was just what you were
23 thinking at the time.

24 A. That's exactly what I was thinking at the time, the same
25 thing I just said.

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Thompson - Cross

1 Q. At this time you were getting a lot of calls from Leona?

2 A. No. I wasn't getting a lot of calls from Leona. I spoke
3 with her maybe two or three times, three or four at the very
4 most, ever. No lots of calls from Leona, no, sir.

5 Q. So you just got a few calls from Leona?

6 A. Several of those I made myself.

7 Q. And you called her to get updates on --

8 A. Find out what the heck was going on.

9 Q. With this company, this Dream Success to Reality, do you
10 know -- when you gave the money, how did you pay them?

11 A. Best I could remember I transferred money from my 401(k)
12 and wired it to them.

13 Q. Do you remember how much?

14 A. I don't remember exactly. \$50,000 at a time I know, at one
15 time. You could probably tell me. You're probably reading it
16 there.

17 Q. Who is Bonnie?

18 A. I'm sorry?

19 Q. Bonnie.

20 A. I don't remember that right off. I try not to read through
21 these any more than I had to for this thing because it's really
22 just heartbreaking and disgusting, and I can't change it right
23 now. I am not getting my money back so what am I going to do.
24 I am just trying to move on so once I get through this I can
25 have a life. This is really disturbing and taking up all of my

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1 time, all of my life, and all of my money trying to come up
2 here and live in this little city for a few weeks here, this
3 huge city.

4 THE COURT: Let's have another question, please.

5 It's a quarter of 5. Why don't we break for the
6 evening. It's been a long day of testimony. We will pick it
7 up tomorrow at 9:30.

8 Is this an all right time to break, sir?

9 MR. HASSEN: Perfect, your Honor.

10 THE COURT: Ladies and gentlemen, we will break now
11 for the evening. Keep an open mind. The testimony is coming
12 in apace and we are moving forward. Be here at 9:30 tomorrow.
13 Remember to bring a nice healthy snack for our first break,
14 apples, yogurt, almonds, or candy, it's Halloween, whatever you
15 like, and then we will break for lunch at 2:00.

16 Thank you.

17 (Jury exits courtroom)

18 (Continued on next page)

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1 THE COURT: Ms. Thompson, you may step down. Because
2 you are under cross-examination, you are not permitted to talk
3 with the government attorneys about this, and they are not
4 permitted to ask you questions. So don't think they are being
5 impolite and they won't think you're being impolite. You can,
6 of course, talk with the government agents about the mechanics
7 of where you should be and so forth, but not the lawyers.
8 Thank you. Enjoy your evening.

9 All right. I will see everybody at 9:30. Try to make
10 whatever is left of the cross-examination as efficient as
11 possible.

12 I am going to remind the government attorneys not to
13 react in their facial expressions to the answers. That goes
14 for the defense attorneys as well.

15 MS. KEARNEY: Your Honor, before we go I just want to
16 apprise the Court that we on the government side, in conferring
17 with defense counsel, are actively trying to see if we can
18 eliminate or pare down some witnesses. We just wanted to flag
19 that on the record in case people who are on our list are not
20 appearing.

21 THE COURT: 9:30 tomorrow.

22 (Adjourned to October 30, 2018, at 9:30 a.m.)
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